65- HQ-1168 SECTION 2

SERIALS 18X-50

65-HQ-1168-2

Screened Date: 05-15-2024
DOCID: 34637063

Declassified Case: NW#
65299 Date: 05-15-2024

SERIALS 18X-50

ENTIRE FILE REVIEWED
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USE CARE IN HANDLING THIS FILE

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Class / Case #	Sub	Vol.	Serial #	
0065 1168		2	18x	50

6/08/56014

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FEDERAL BUREAU OF INVESTIGATION

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FBI/DOJ

NW 63226
DocId:34637063 Page 1

607 U. S. Court House
Foley Square
New York, N. Y.

65-128

September 21, 1939

WYH:HKB

Mr. Albert Goldman
Postmaster
Post Office Department
31st Street & 8th Avenue
New York, N. Y.

Re: WILLIAM RHODES DAVIS
ESPIONAGE

Dear Sir:

In connection with an official investigation being conducted by this Office, it is respectfully requested that a thirty-day mail cover be placed upon the mail addressed to

ERNA F. WEHRLE
30 East 68th Street
New York, N. Y.

In forwarding tracings to this office, please refer to our File #65-128.

Your cooperation in this matter will be appreciated.

Very truly yours,

INDEXED

65 1168-184
FEDERAL BUREAU OF INVESTIGATION
SEP 27 1939
U. S. DEPARTMENT OF JUSTICE

P. E. FOXWORTH
Special Agent in Charge

cc-Bureau

[redacted]

NW 63226
DocId:34637063 Page 2

607 U. S. Court House, Foley Square
New York, N. Y.

September 21, 1939

65-128
WYH:HKB

Mr. Albert Goldman
Postmaster
Post Office Department
31st Street & 8th Avenue
New York, N. Y.

Re: WILLIAM RHODES DAVIS
ESPIONAGE

Dear Sir:

In connection with an official investigation being conducted by this Office, it is respectfully requested that a thirty day mail cover be placed upon the mail addressed to the following individuals:

WILLIAM ROSE DAVIS, of
Davis & Company, Inc.,
30 Rockefeller Plaza ,
New York City.

ERNA F. WEHRLE
Davis & Company, Inc.,
30 Rockefeller Plaza
New York City.

In forwarding tracings to this office, please refer to our File #65-128.

Your cooperation in this matter will be appreciated.

Very truly yours,

65-1168-18X1

FEDERAL BUREAU OF INVESTIGATION
Special Agent in Charge
SEP 27 1939
U. S. DEPARTMENT OF JUSTICE

TWO

cc-Bureau

[redacted]

NW 63226
DocId:34637063 Page 3

CHC:JDiF

September 22, 1939.

AIR MAIL - SPECIAL DELIVERY
PERSONAL AND CONFIDENTIAL

Mr. P. E. Foxworth
Federal Bureau of Investigation
U. S. Department of Justice
607 U. S. Court House Building
Foley Square
New York, New York

RE: WILLIAM RHODES DAVIS
ESPIONAGE

Dear Mr. Foxworth:

Transmitted herewith are copies of a confidential communication from Honorable George S. Messersmith, Assistant Secretary of State, dated September 21, 1939, together with the enclosures mentioned therein same being photostatic copies of the documents in the passport file of Miss Erna Friedo Wehrle.

Pursuant to the request set forth in Mr. Messersmith's communication, you are requested to have a most discreet surveillance maintained of Miss Wehrle. This matter is of the utmost importance and must be handled in a very guarded and thorough manner.

Very truly yours,

John Edgar Hoover
Director

Enclosure

RECORDED
&
INDEXED

65-1168-19

FEDERAL BUREAU OF INVESTIGATION
SEP 25 1939
U. S. DEPARTMENT OF JUSTICE

COMMUNICATIONS SECTION
MAILED
SEP 22 1939
P. M.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Lawler
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

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DocId:34637063 Page 4

FEDERAL BUREAU OF INVESTIGATION

U. S. DEPARTMENT OF JUSTICE

[redacted] NEW YORK, N.Y. JAG:VA

CONFIDENTIAL

55765

Transmit the following Teletype message to:

PITTSBURGH OFFICE [(Coded)] (u)

WILLIAM RHODES DAVIS ESPIONAGE INFORMATION OBTAINED TODAY THAT WALTER A. JONES VICE PRESIDENT PLYMOUTH OIL COMPANY OF PITTSBURGH PENNSYLVANIA AND DAVID LAWRENCE PITTSBURGH PENNSYLVANIA ARE ALLEGED TO BE STOOGES FOR JOSEPH GUFFEY UNITED STATES SENATOR AND MAN NAMED KENNEDY OF UNITED MINE WORKERS IS STOOGE FOR JOHN L. LEWIS HEAD C.I.O. IT IS ALLEGED THAT SENATOR JOSEPH GUFFEY, JOHN L. LEWIS AND WALTER A. JONES VISITED MEXICO IMMEDIATELY PRIOR TO THE CONFISCATION OF AMERICAN OIL PROPERTIES BY MEXICAN GOVERNMENT AND THERE IS SUSPICION THAT THESE MEN INFLUENCED OR ENCOURAGED PRESIDENT OF MEXICO INTO THIS CONFISCATION. IMMEDIATELY INTERVIEW EDGAR MORRIS, GUARANTY TRUST COMPANY, GULF BUILDING, PITTSBURGH, FOR BEST SOURCES INFORMATION TO VERIFY FACTS CONCERNING ACTIVITIES OF JONES AND WILLIAM RHODES DAVIS; ALSO IMMEDIATELY INTERVIEW JAMES CHAPMAN PRESIDENT COLONIAL TRUST COMPANY PITTSBURGH AND RICHARD B. MELLON PRESIDENT MELLON NATIONAL BANK PITTSBURGH RE ACTIVITIES AFOREMENTIONED INDIVIDUALS. INTERVIEW EDGAR MORRIS FIRST BEFORE INTERVIEWING MESSRS. CHAPMAN AND MELLON AS HE HAS EXTENSIVE KNOWLEDGE OF ACTIVITIES AFOREMENTIONED INDIVIDUALS AND LOCAL PITTSBURGH AFFAIRS AND POLITICAL SET UP RE JONES ET AL. CONDUCT INVESTIGATION UNLESS INSTRUCTED TO CONTRARY BY BUREAU. SUMMARIZE FACTS DEVELOPED BY TELETYPE TO BUREAU AND NEW YORK DIVISION AND SUBMIT REPORT COVERING ENTIRE INVESTIGATION. (X)(u) FOXWORTH

(u)

CONFIDENTIAL

INDEXED

cc Bureau

Approved: _____ Sent _____ M Per _____

Special Agent in Charge

65-1168-19X

FEDERAL BUREAU OF INVESTIGATION

SEP 26 1941 (X)(u)

S. A.

FWC

DECLASSIFIED BY 52202/tal/sp on 4-28-78

Classified By 2201
Exempt from GDS, Category
Date of Declassification Indefinite

4-11-

4-28-78

(b) declassification

NW 63226
DocId:34637063 Page 5

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:COH

Time: 3:40 p.m.

September 23, 1939

MEMORANDUM FOR THE DIRECTOR

RE: WILLIAM RHODES DAVIS;
WALTER A. JONES;
ESPIONAGE.

While in telephonic communication with SAC Foxworth of New York, I was informed that Agents are watching both the office and the apartment but have been unable to pick up the Wehrle woman. A woman answers the telephone in the apartment but it is not known whether she is Erna F. Wehrle. A photostat of this woman's picture has been received at the New York Office from the Bureau.

Respectfully,
E. A. Tamm

E. A. TAMM

RECORDED
&
INDEXED

65-1168-20

FEDERAL BUREAU OF INVESTIGATION
SEP 27 1939
U. S. DEPARTMENT OF JUSTICE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/2/98 BY SP2 alac/tm

NW 63226
DocId:34637063 Page 6

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:COH

September 23, 1939

Time: 3:00 p.m.

MEMORANDUM FOR THE DIRECTOR

RE: WILLIAM RHODES DAVIS;
WALTER A. JONES;
ESPIONAGE

I called SAC Fletcher at Philadelphia and inquired as to the source of the information being obtained regarding Walter A. Jones.

Mr. Fletcher stated that due to the confidential character of the investigation, Agent Munley, who is conducting the investigation at Harrisburg, did not wish to disclose the informant's name over the telephone. I then asked Mr. Fletcher the reason for his advising Mr. Hottel that if he went into the matter further, additional information could be obtained. Mr. Fletcher stated that from the conversation with Agent Munley, he was given the impression that a political matter appears to be involved. It seems that the informant is not on Jones' side and that he is anxious to get something started.

Upon Mr. Fletcher advising that Agent Munley should be in Philadelphia within an hour and a half, I instructed Mr. Fletcher to have Munley dictate his report and then return for the remainder of the information the informant is supposed to have.

Mr. Fletcher stated that Agent Munley has another individual in mind who was mentioned by the informant as having valuable information. I told Mr. Fletcher it would be satisfactory to contact this individual.

Respectfully,

E. A. TAMM

E.A.T. 65-1168-21

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HEREIN IS UNCLASSIFIED
DATE 4-22-98 BY SP2 alc/TH

RECORDED

SEP 23 1939
U.S. DEPARTMENT OF JUSTICE
TOLSON
TWC

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DocId:34637063 Page 7

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

September 23, 1939

EAT:LCJ

5:20 P.M.

MEMORANDUM FOR THE DIRECTOR

RE: WILLIAM RHODES DAVIS;
ESPIONAGE

I called Special Agent Ertzinger at San Antonio in regard to the attached teletype, and advised him to have Special Agent Winton contact SAC Jones at Mexico City and advise him that we are particularly interested in the information he furnished about the use of radios on interned ships and that we would like to be advised of any further information received along those lines.

Respectfully,

E. A. Tamm

RECORDED & INDEXED

65-1168-22

FEDERAL BUREAU OF INVESTIGATION
SEP 25 1939
U. S. DEPARTMENT OF JUSTICE

TOLSON TAMM TWC

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 4-32-98 BY SP3 calculm

NW 63226
DocId:34637063 Page 8

Federal Bureau of Investigation
United States Department of Justice

GAN:JSMc
65-128

New York, N. Y.
September 23, 1939

~~PERSONAL AND CONFIDENTIAL~~

Director
Federal Bureau of Investigation
Washington, D. C.

Re: WILLIAM RHODES DAVIS
Espionage

Dear Sir:

I am transmitting herewith photostatic copies of telegrams sent by DAVIS and his associates through the facilities of R. C. A. Communications, Inc., during the month of September 1939.

In order to expedite the submission of this information the individual telegrams are not being listed, but they are contained on the photostatic sheets attached hereto, which are numbered 1 to 6 inclusive.

R. C. A. Communications, Inc., is continuing a search of its records for this material, and as fast as information is obtained it will be submitted to the Bureau. In those instances where it appears that any messages are of particular interest, they will be submitted to the Bureau by teletype.

RECORDED 65-1168-23
FEDERAL BUREAU OF INVESTIGATION
SEP 29 1939
U. S. DEPARTMENT OF JUSTICE

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF Declass.
DATE 5-1-78 BDPR

Very truly yours,

P. E. Foxworth

P. E. FOXWORTH,
Special Agent in Charge

1 copy destroyed-30

Enclosures (6)
SPECIAL DELIVERY

DECLASSIFIED BY 2909 DPJ/df
ON 4-10-78

Copy and Specimens Received in Laboratory
9-29-39 mtg

UNRECORDED COPY TO INVEST. UNIT
ORIGINAL TO LABORATORY

NW 63226
DocId:34637063 Page 9

Federal Bureau of Investigation
United States Department of Justice

GAN:JSMc
65-128

New York, N. Y.
September 23, 1939

~~PERSONAL AND CONFIDENTIAL~~

Director
Federal Bureau of Investigation
Washington, D. C.

Re: WILLIAM RHODES DAVIS
Espionage

ADVISED BY ROUTING SLIP(S) OF Declass DATE 6-1-78 BCP

Dear Sir:

I am transmitting herewith photostatic copies of telegrams sent by DAVIS and his associates through the facilities of the Western Union Telegraph Company during the months of November 1938 and March, April, May, June, July, and August 1939.

In order to expedite the submission of this information the individual telegrams are not being listed, but they are contained on the photostatic sheets attached hereto, which are numbered from 1 to 134 inclusive.

The Western Union Telegraph Company is continuing a search of its records for this material, and as fast as information is obtained it will be submitted to the Bureau. In those instances where it appears that any messages are of particular interest, they will be submitted to the Bureau by teletype.

RECORDED & INDEXED

Very truly yours,

P.E. FOXWORTH,
Special Agent in Charge

65-1168-24
FEDERAL BUREAU OF INVESTIGATION
SEP 29 1939
U. S. DEPARTMENT OF JUSTICE

Enclosures (134)
SPECIAL DELIVERY

1 copy destroyed -30

Copy and Specimens Retained in Laboratory 9-29-39

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ON 4-10-78

UNRECORDED COPY TO INVEST. UNIT
ORIGINAL TO LABORATORY

NW 63226
DocId:34637063 Page 10

Federal Bureau of Investigation
United States Department of Justice

GAN:JSMc
65-128

New York, N. Y.
September 23, 1939

~~PERSONAL AND CONFIDENTIAL~~

Director
Federal Bureau of Investigation
Washington, D. C.

Re: WILLIAM RHODES DAVIS
Espionage

Dear Sir:

I am transmitting herewith photostatic copies of telegrams sent by DAVIS and his associates through the facilities of the Western Union Telegraph Company during the months of December 1938 and January, February, March and April 1939.

In order to expedite the submission of this information the individual telegrams are not being listed, but they are contained on the photostatic sheets attached hereto, which are numbered from 1 to 136 inclusive.

The Western Union Telegraph Company is continuing a search of its records for this material, and as fast as information is obtained it will be submitted to the Bureau. In those instances where it appears that any messages are of particular interest, they will be submitted to the Bureau by teletype.

Very truly yours,

P. E. FOXWORTH,
Special Agent in ~~Charge~~

Enclosures (136)
SPECIAL DELIVERY

UNRECORDED COPY TO INVEST. UNIT
ORIGINAL TO LABORATORY

APPROPRIATE AGENCIES AND FIELD OFFICES ADVISED BY ROUTING SLIP(S) OF Dec 1939 DATE 5-1-78 BPW

RECORDED & ~~INDEXED~~

65-1168-25

FEDERAL BUREAU OF INVESTIGATION
SEP 29 1939
U. S. DEPARTMENT OF JUSTICE

DECLASSIFIED BY 2909 DPS/dy
ON 4-10-78

Copy and Specimens Retained in Laboratory
9-29-39 mg.

NW 63226
DocId:34637063 Page 11

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT New York, New York FILE NO. 65-117

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
St. Louis, Missouri	9/27/39	9/21,22, 23,25/39	E. L. Cochran AM

TITLE	CHARACTER OF CASE
WILLIAM RHODES DAVIS	ESPIONAGE

SYNOPSIS OF FACTS: Extensive investigation of DAVIS conducted by the law firm of Thompson, Mitchell, Thompson, and Young, St. Louis, Missouri, for an unnamed client for about one year, beginning in September, 1937. With the consent of their client, the attorneys gave permission to transmit their entire file to the Bureau for photostating purposes. DAVIS born Montgomery, Alabama, about fifty years ago, and at one time was a locomotive engineer, developing into an oil promoter in 1913, later serving in the U. S. Army. Known throughout the oil world as a promoter of personal magnetism and unscrupulous methods. DAVIS last seen at the Hotel Reforma, Mexico City, Mexico, a month ago, and thought to be possible representative of Germany in attempting to purchase British oil expropriated by Mexican Government.

P

REFERENCE: Teletype from the New York Office dated September 21, 1939, to the Bureau and the St. Louis Office.

DETAILS:

JOHN H. CARUTHERS (not JOHN J. CARUTHERS), an employee of the law firm of Thompson, Mitchell, Thompson, and Young, 705 Olive Street, St. Louis, Missouri, would neither admit nor deny he had made an investigation of DAVIS, but stated that if there were any information in his files, the same was such that it was subject to the instructions of his employers, the above law firm.

APPROVED AND FORWARDED: E. B. Morris SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES

65-1168-26 SEP 29 1939

COPIES OF THIS REPORT
5 Bureau
2 New York
1 Washington
1 Pittsburgh
2 St. Louis

1 cc Mc Guire 12-27-40 J.B.L.
3 Copies destroyed 1-30

SEP 29 9 29 AM

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U. S. GOVERNMENT PRINTING OFFICE 7—2034

NW 63226
DocId:34637063 Page 12

An appointment was made with Judge FRANK A. THOMPSON of said firm, who advised that if there were any information in the files of said firm, the same could not be revealed without the consent of their client, for whom said information had been secured. Upon request, Judge THOMPSON advised he would endeavor to contact the client and secure the client's permission for release of the file on DAVIS to the Bureau.

On September 23, 1939, in the absence of Judge FRANK A. THOMPSON, SAMUEL A. MITCHELL of the said firm informed the client had consented that the complete file be released to the Bureau for such use as the Bureau might desire, later on the same day giving permission of the firm to transmit the entire file of the firm to the Bureau for photostating purposes. Accordingly, the entire file of Thompson, Mitchell, Thompson, and Young has been forwarded to the Bureau, the said file consisting of seven folders of copies of miscellaneous law pleadings, transcripts of records of legal proceedings, newspaper clippings, and records of interviews conducted by JOHN H. CARUTHERS with various individuals personally acquainted with DAVIS. SAMUEL A. MITCHELL informed he was not at liberty at present to give the name and address of the client for whom this investigation had been conducted, but if the Bureau was not already in possession of said knowledge and desired same, that with the consent of the client, the identity of the client would be revealed to the Bureau. He stated this client was an out-of-town client, which was the reason why consent to open the files had been delayed, and the investigation had been requested by said client for the reason that the client may have contemplated dealings with DAVIS and wanted to know as much as could be learned about his past activities in this country.

The law firm of Thompson, Mitchell, Thompson, and Young is composed of GUY THOMPSON, a former president of the American Bar Association, SAMUEL A. MITCHELL, Judge FRANK A. THOMPSON, a former State Judge and Special Assistant to the U. S. Attorney General, and TRUMAN B. YOUNG.

SAMUEL A. MITCHELL informed that although the same was not reflected in their file on DAVIS, it was his information DAVIS had been in Mexico City, Mexico, a month ago, where he was observed in the dining room of the Reforma Hotel by Judge FRANK A. THOMPSON, but that neither Judge THOMPSON nor any other member of the firm was personally acquainted with DAVIS, nor had their law firm ever represented DAVIS in any capacity. MITCHELL said it was his information DAVIS had had a former connection, exact nature unknown, with the First National Bank of Boston, Boston, Massachusetts, but that he believed this bank was possibly now on unfriendly terms with DAVIS and might furnish additional information. He stated the investigation conducted by his firm had begun in about September, 1937, and had continued for approximately one year. MITCHELL advised DAVIS is said to be interested in an oil refinery in Hamburg, Germany; that he is widely known throughout Europe and North and South America among prominent oil men and probably has easier access to the heads of governments than any man MITCHELL knew about. DAVIS was a personal contact and

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possibly a representative of Field Marshal GOERING of Germany, according to MITCHELL, his latest best known activity being his alleged representation of a syndicate wherein he is said to have negotiated with the Mexican Government for the oil expropriated by Mexico from the British Government, for the sum of $25,000,000.00. MITCHELL pointed out there was nothing in their file to indicate he was a representative of Germany in any capacity, and that this was merely his opinion, based on the data he already had on DAVIS and subsequent, unsubstantiated, information which had reached him. DAVIS, according to Mr. MITCHELL, maintains a permanent office in Rockefeller Center, New York City, but is very hard to locate in the United States, even when present in this country, for the reason that he has numerous lawsuits pending against him in various localities and has various judgments of record against him.

MITCHELL said DAVIS was born in Montgomery, Alabama, about fifty years ago and is said to have been a locomotive fireman for the Texas and Pacific Railroad from about 1908 to 1910, later becoming a locomotive fireman and engineer for the M. O. & G. Railroad Company, Muskogee, Oklahoma. It was not until about August 21, 1913, that he blossomed out as a promoter, incorporating at that time the Best Test Oil and Gas Company, an Oklahoma corporation, located at Muskogee, Oklahoma. Since that time DAVIS has developed into a world-known figure in the petroleum industry, said to be possessed of a magnetic personality and of unscrupulous business methods. He has been married three times, his second wife being PEARL PETERS, daughter of Mrs. JOSIE PETERS, Fourteenth and Jackson Streets, Joplin, Missouri. He is supposed to have one child by his first marriage, a son, who became a licensed transport pilot and who was killed a year or so ago in an airplane accident in Nicaragua while on business there for his father. DAVIS is believed to have two sons by his second marriage. DAVIS was inducted into the military service of the United States in Muskogee, Oklahoma, on June 25, 1918, being Army serial #1,803,243, and was honorably discharged September 12, 1918, to accept a commission as a second lieutenant in the engineering corps. He served with the Twenty-first Engineers in the Meuse-Argonne offenses. After DAVIS' rise in the world of wealth and power, he informed GEORGE E. REYNOLDS, attorney, suite 1722, 27 Williams Street, name of city not stated but believed to be Tulsa, Oklahoma, according to an interview with the investigator of Thompson, Mitchell, Thompson, and Young under date of December 9, 1937, that he was endeavoring to settle certain judgments against him as he thought the President was going to appoint him to his cabinet.

SAMUEL A. MITCHELL requested, in giving the consent of his law firm for the file on DAVIS to be transmitted to the Bureau for photostating purposes, that his firm be advised as to what data in the files were photostated, and this request was transmitted by letter to the Bureau.

PENDING

NW 63226
DocId:34637063 Page 14

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

September 23, 1939

EAT:LCJ

11:32 A.M.

MEMORANDUM FOR THE DIRECTOR

RE: WILLIAM RHODES DAVIS;
ESPIONAGE

SAC Hottel of the Washington Field Office called and advised that he had received a call from SAC Fletcher at Philadelphia, who furnished the following information:

That Walter A. Jones is Chairman of the Pennsylvania Turnpike Commission and was appointed by former Governor Earle, a Democrat; that Jones is associated with United States Senator Guffey and is reported interested with Senator Guffey in Mexican oil. Mr. Fletcher also advised Mr. Hottel that a scandal is reported about to break in the Pennsylvania Turnpike Commission due to the dissipation of Federal funds.

Mr. Hottel stated that Mr. Fletcher advised him that the investigation had been discontinued, but that he thinks more information could be obtained by going further into the matter. Mr. Hottel stated that he advised him to hold up on the investigation; that he told him to get a letter to the Bureau by Monday morning on the matter.

I advised Mr. Hottel that it would be well to discontinue the investigation at Philadelphia for the present, as most of the information will apparently be obtained at Harrisburg.

Respectfully,

E. A. Tamm

RECORDED & INDEXED

65-1168-27

SEP 23 1939

U. S. DEPARTMENT OF JUSTICE

TOLSON
TAMM
...

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HEREIN IS UNCLASSIFIED
DATE 9/2/98 BY ...

NW 63226
DocId:34637063 Page 15

FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

SEP 26 1939 (u)

POSTAL

DECODED COPY (u)

CONFIDENTIAL

DECLASSIFIED BY SP1CLK/gcl.
ON 12/17/02

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

W19 31 COLLECT GOVT

BY BOSTON MASS SEPT 26, 1939 1005P (u)

DIRECTOR

FBI JUSTICE WASHN DC

WILLIAM RHODES DAVIS, ESPIONAGE. RE MY TELETYPE TONIGHT EIGHTH WORD IN TENTH LINE, TENTH WORD IN TWELFTH LINE AND THIRD WORD SEVENTEENTH LINE SHOULD ALL BE GESIEBT INSTEAD OF BESIEBT

PETERSON

L)1055P

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

CLASSIFIED BY SP1CLK/TM
DECLASSIFY ON: 25X 3
4-28-98 PER DRC

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP (S) OF 9/26/39
DATE

CLASSIFIED BY DEPARTMENT COMMITTEE (DRC)
DATE: 11/27/27 DRK/gtc

~~CONFIDENTIAL~~

changes have been made on teletype referred to C E C

RECORDED

65-1168-28

FEDERAL BUREAU OF INVESTIGATION
SEP 27 1939 (u)
U. S. DEPARTMENT OF JUSTICE

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Exempt from GDS Category 2
Date of Declassification Indefinate
4-12-78

NW 63226
DocId:34637063 Page 16

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

AR:AI

September 28, 1939

11:30 a.m.

MEMORANDUM FOR MR. E. A. TAMM

Re: WILLIAM RHODES DAVIS
ESPIONAGE

Davis' secretary, Miss Wehrle, has been under surveillance, and so far nothing of significance has developed, according to Donegan, who called from New York. He stated that she daily goes to her office in Radio Center, seems to stay in all day, and proceeds to her residence, where she then proceeds to have her evening meal. She appears to take her lunch in the office. Donegan states that the agents missed her one night, but apparently she had not left the apartment.

I told Donegan to continue the surveillance and to advise the Bureau whether they would be able to get anywhere on putting a tap in the office building. It is recalled that this building is difficult to surveillance because of the many elevators, constant traffic, because the switchboard is not at all accessible, nor is there any other means by which to go in on a line, except through permission of the telephone company. It is not desired that inquiries be made at this time to obtain any assistance from the telephone company, and in view of this, the surveillance will be maintained in its present status.

Respectfully,

A. Rosen

A. Rosen

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-28-98 BY SP2 alc/cal/sm

RECORDED

65-1168-29

FEDERAL BUREAU OF INVESTIGATION
SEP 29 1939
U. S. DEPARTMENT OF JUSTICE

TAMM TWOOD

NW 63226
DocId:34637063 Page 17

Federal Bureau of Investigation
United States Department of Justice

Mr. Tolson	
Mr. Nathan	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Ladd	
Mr. Coffey	
Mr. Egan	
Mr. Glavin	
Mr. Crowl	
Mr. Harbo	
Mr. Lester	
Mr. Hendon	
Mr. Nichols	
Mr. Rosen	
Mr. Sears	
Mr. Quinn Tamm	
Mr. Tracy	
Miss Gandy	

GAN:VA
65-128

New York City
September 22, 1939

Director
Federal Bureau of Investigation
Washington, D.C.

~~PERSONAL AND CONFIDENTIAL~~

APPROPRIATE AGENCIES AND FIELD OFFICES ADVISED BY ROUTING SLIP(S) OF Declass. DATE 5-1-78 BJM

Re: WILLIAM RHODES DAVIS
Espionage

Dear Sir:

I am transmitting herewith photostatic copies of telegrams sent by DAVIS and his associates through the facilities of the WESTERN UNION TELEGRAPH COMPANY during the months of October, November and December 1938 and June 1939.

In order to expedite the submission of this information, the individual telegrams are not being listed, but they are contained on the photostatic sheets attached hereto, which are numbered from 1 to 67 inclusive.

The WESTERN UNION TELEGRAPH COMPANY is continuing a search of its records for this material, and as fast as information is obtained it will be submitted to the Bureau. In those instances where it appears that any messages are of particular interest, they will be submitted to the Bureau by teletype.

UNRECORDED COPY TO INVEST. UNIT
ORIGINAL TO LABORATORY

DECLASSIFIED BY 2909 DPS/dlf
ON 4-10-78

Very truly yours,

P. E. Foxworth g.a.n.

P. E. FOXWORTH
Special Agent in Charge

Encls. 67
SPECIAL DELIVERY

Papers and Specimens Received in Laboratory
10-9-39 mg

Enclosure in Lab.
mg

RECORDED & INDEXED

65-1168-30
FEDERAL BUREAU OF INVESTIGATION
OCT 2 1939
U. S. DEPARTMENT OF JUSTICE

NW 63226
DocId:34637063 Page 18

(1) Bingens
Nestor Street 53
Berlin
Doctor CODE Schabad Chevrah
Advise ~~of~~ one (Bidon Tampico Gestoppt Kirche). Shall arrange for ambulance. Graf August 30

****

(2) Arrive Friday Lisbon. Ascertain with Bingens regarding enclosure. Connections via Tempelhof if Lufthansa (German Airlines) impossible Fischtal should immediately devise other connections and advise the Lisbon consulate immediately. The invitation for Friday and Saturday evening is favorable. (Gustl Dicken Gischtal Malle) CODE (Trunk). Handle immediately. Wursch Sept 9 1939

******

******

(3) German-South American Bank, Hamburg, Germany

Can you furnish us with complete statements for months of July and August '39 of the oil account under the account of W. R. DAVIS, subsidiary account D to (Spezial Aski Comma Spezial Aski) CODE.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-2091 BY SP3 alcic/rm

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
SEP 22 1939
TELETYPE

'CONFIDENTIAL'

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT OTHERWISE

DECODED COPY

FBI ST LOUIS 7-32 PM 9-22-39 CPW

DIRECTOR

SAC NEW YORK CITY

DECLASSIFIED BY SP1CW/gcl
ON 12/17/02

WILLIAM RHODES DAVIS, ESPIONAGE. FRANK A. THOMPSON, A FORMER SPECIAL ASSISTANT U S ATTORNEY GENERAL, OF THOMPSON, MITCHELL, THOMPSON AND YOUNG, PROMINENT ATTORNEYS OF ST LOUIS, EMPLOYERS OF JOHN H. CARUTHERS, SEVEN NAUGHT FIVE OLIVE STREET, INFORMS THAT THE INFORMATION IN THEIR FILES CONCERNING SUBJECT WAS SECURED IN A FIDUCIARY CAPACITY FOR AN UNNAMED CLIENT AND CANNOT BE RELEASED WITHOUT CONSENT OF CLIENT. THOMPSON ADVISED HE IS PRESENTLY ENDEAVORING TO CONTACT THIS CLIENT TO SECURE CONSENT AND SUGGESTS HE BE RECONTACTED TOMORROW MORNING. THIS WILL BE DONE AND TELETYPE SUMMARY SUBMITTED ACCORDINGLY.

NORRIS

END

ACK PLS

WASHINGTON DC OK FBI WASH DC GMC

NEW YORK CITY OK FBI NYC JG

CLASSIFIED BY SP2 alcc ITM
DECLASSIFY ON: 25X
4-28-98

RECORDED & INDEXED
65-1168
SEP 23 1939
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

'CONFIDENTIAL'

APPROPRIATE AGENCIES AND FIELD OFFICES

1 copy Quinn Tamm
1 copy destroyed-30

Classified by 2909 DPS/dd
Exempt from GDS Category
Date of Declassification Indefinate 4-12-78

NW 63226
DocId:34637063 Page 20

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FEDERAL BUREAU OF INVESTIGATION,
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

SEP 23 1939

CONFIDENTIAL

TELETYPE

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Sears
Miss Quinn Tamm
Mr. Tracy
Miss Gandy

FBI NEW YORK CITY 9-23-39 11-20 AM RK

DIRECTOR

WILLIAM RHODES DAVIS ESPIONAGE

FOLLOWING CABLEGRAMS SENT AND RECEIVED DURING AUGUST BY SUBJECT AND ASSOCIATES, PHOTOSTATIC COPIES BEING FURNISHED -

"AUGUST 5,11-41 AM

LC IFA

DESSAU GERMANY

PASSED ON YOUR LETTER JULY TENTH TO YOUR NEW YORK OFFICEDAV XX

DECLASSIFIED BY SP1 CLK/gcl
ON 12/17/02

CLASSIFIED DECISION FINALIZED
BY DEPARTMENTAL COMMITTEE (DRC)
DATE 11/21/79 DRK/gcl

APPROPRIATE AGENCIES AND FIELD OFFICES ADVISED BY ROUTING SLIP(S) OF Class
DATE 5-1-78 DRK/gcl

DAVIS"

"AUGUST 14,4-28 PM

NLT EUROTANK BERLIN

36B YOUR 431 WE CONFIRM LIFTINGS EMMAMAERSK BRARENA KARIBISCHESMEER LOIDA PEIK KATTEGAT ADRIA REUTER LUNDGREN MAXALBRECHT PEDERSEN LITIOPA ANTARKTIS SUBJECT HOWEVER POSSIBLE SUBSTITUTION CARGOES STOP WORKING BALANCE TENTATIVE PROGRAM WILL ADVISE SOONEST POSSIBLE ADDITIONAL QUANTITIES AVAILABLE STOP CHECKING TOPPED PANSOUTHFIELD ADVISING LATER

65-1168-30X1

DAVCOM"

RECORDED
CONFIDENTIAL

SEP 23 1939
U.S. DEPARTMENT OF JUSTICE

Copy destroyed-30

"AUGUST 22,3-12 PM

Classified by 2909 DPS/dlf
Exempt from GDS Category 5
Date of Declassification Indefinite
4-12-78

EUROTANK BERLIN

TAMM TWO

GERMANICO ADVISED MEXGOVERNMENT NO TRANSFER HAS BEEN MADE INTO THEIR ACCOUNT ON CREDIT OPENED AUGUST ONE STOP OUR CONTRACT WITH GOVERNMENT

NW 63226
DocId:34637063 Page 21

CONFIDENTIAL

SPECIFIES WE OPEN CREDIT WHICH THEY CAN USE IMMEDIATELY FOR ONE MONTHS LIFTINGS IN ADVANCE STOP IN VIEW OF CARGOES FOR WHICH MO PAYMENT HAS BEEN MADE BY YOU INTO DAVIS OIL ACCOUNT IT NECESSARY YOU MAKE NECESSARY PAYMENT IMMEDIATELY SO THAT TRANSFER CAN BE MADE INTO HACIENDA ACCOUNT COVERIN G TOTAL AMOUNT AUGUST LOADINGS AS MEXICO NEEDS USE OF THESE FUNDS IMMEDIATELY

DAVIS"

"AUGUST 23,4-46 PM

EUROHANDELS BERLIN GERMANY

17L PIPSA FRIEND CABLING MINISTRY AUTHORIZE SUDAMERO RELEASE DRAFT PROCEEDS IMMEDIATELY AFTER EUROTANK PAYING MARK COUNTERVALUE STOP GERMANICO EACH CASE REPORTING RECEIPT DRAFT PROCEEDS AND SUDAMERO WILL REQUEST MARKDEPOSIT ON RECEIPT OF WHICH DOLLARS WILL BE RELEASED US STOP MARKPAYMENT CAN ALSO ORIGINATE FROM SUBACCOUNTD STOP GERMANICO INFORMING SUDAMERO THIS RESPECT PLEASE CABLE AFTER SUDAMERO RECEIVES MINISTRY INSTRUCTIONS

DAVCOM"

CONFIDENTIAL

"AUGUST 28,4-16 PM

NLT EUROHANDELS BERLING

30L PEMEX AND MINISTER HACIENDA REQUESTED COMPLETE DETAILED REPORT DELIVERY PROGRAM ALL MATERIALS AGREMENTS ONE AND TWO WHICH WE AGREED FURNISH FROM BERLIN MINISTER VERY CONCERNED ABOUT SLOWNESS MATERIAL

NW 63226
DocId:34637063 Page 22

CONFIDENTIAL

CONFIDENTIAL

DELIVERY STOP WE ALSO AGREED FURNISH MINISTER AND PEMEX COMPLETE REPORT EVERY 15 X DAYS IN RESPECT FUTURE STOP URGENT YOU PREPARE CO MPLETE REPORT AND AIRMAIL US SOONEST COVERING ALL REQUISITIONS IMPORTANT IN ORDER HELT US OBTAIN EXTENSION DELIVERY TIME AIRMAIL LETTER FOLLOWS

DAVCOM"

"AUGUST 30,1-47 PM

EUROTANK BERLIN

47B PLEASE CONFIRM IMMEDIATELY IF FUTURE CARGOES COVERED BY GERMAN INSURANCE COMPANIES IN MARKS ON MARINE INSURANCE EUROTANK ACCOUNT

DAVCOM"

FOXWORTH

END

P

OPR IS THE ABOVE ALL VERBATUM OR IS THERE SOME BUREA I CODE IT IS ALL VERBATIM IT WOULD HAVE BEEN TOO CONFUSING WITH CODE

OK FBI WASHINGTON DC WCS

M

CONFIDENTIAL

NW 63226
DocId:34637063 Page 23

Federal Bureau of Investigation
United States Department of Justice

New York, N. Y.

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

WJH:ETA
65-128

September 25, 1939

Director
Federal Bureau of Investigation
Washington, D. C.

APPROPRIATE AGENCIES AND FIELD OFFICES ADVISED BY ROUTING SLIP(S) OF Dec 1939 DATE 5-1-78 [illegible]

RE: WILLIAM RHODES DAVIS
ESPIONAGE

Dear Sir:

I am transmitting to you herewith, photostatic copies of telegrams sent by DAVIS and his associates through the facilities of the Postal Telegraph Company, from January through May of 1939 inclusive.

To expedite the submission of this information, the individual telegrams are not being listed, but they are contained on the photostatic sheets attached hereto, which are numbered 1 to 6 inclusive.

This completes the search of the records of the Postal Telegraph Company, and photostatic copies of all telegrams have now been forwarded to the Bureau.

Very truly yours,

P. E. Foxworth

P. E. FOXWORTH
Special Agent in Charge

ENCLS.

SPECIAL DELIVERY

RECORDED

65-1168-31
FEDERAL BUREAU OF INVESTIGATION
SEP 26 1939
U. S. DEPARTMENT OF JUSTICE

UNRECORDED COPY TO INVEST. UNIT
ORIGINAL TO LABORATORY

copy destroyed 3-30

DECLASSIFIED BY 2909 DPJ/df
ON 4-10-78

[redacted] Confidential

[illegible] Contains Redacted Information

Appeal Pending Blackmail Expedition — Doc.

10-4-3969

NW 63226
DocId:34637063 Page 24

UNRECORDED COPY TO INVEST. UNIT
ORIGINAL TO LABORATORY

Federal Bureau of Investigation
United States Department of Justice

PEF:NB

New York, N.Y.

September 21, 1939

Mr. Nelson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Foster
Mr. Madden
Mr. Nichols
Mr. Rosen
Mr. Sears
Miss Gandy

~~PERSONAL AND CONFIDENTIAL~~

Director
Federal Bureau of Investigation
Washington, D. C.

RE: WILLIAM RHODES DAVIS
ESPIONAGE

APPROPRIATE AGENCIES AND FIELD OFFICES ADVISED BY ROUTING SLIP(S) OF Declass. DATE 5-1-78 BDP

Dear Sir:

I am transmitting herewith photostatic copies of telegrams sent by Davis and his associates through the facilities of the Western Union Co. during the months of September and October 1938.

To expedite the submission of this information, the individual telegrams are not being listed, but they are contained on the photostatic sheets attached hereto, which are number 1 to 48 inclusive.

The Western Union Co. is continuing the search of its records for this material tonight and tomorrow, and as fast as the information is obtained, it will be submitted to the Bureau. In those instances where it appears that any messages are of particular interest, they will be submitted to the Bureau by teletype.

Very truly yours,

P. E. Foxworth

P. E. FOXWORTH,
Special Agent in Charge

1 copy destroyed 30

Encls.

DECLASSIFIED BY 2909 DPJ/df
ON 4-10-78

RECORDED

65-1166-32

FEDERAL BUREAU OF INVESTIGATION
OCT 2 1939
U. S. DEPARTMENT OF JUSTICE

SPECIAL DELIVERY

Appel
Blackburn
Pursley

10-4-39 hrg

Enclosures in Lab.

NW 63226
DocId:34637063 Page 25

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

September 21, 1939

EAT:LCJ

9:35 A.M.

MEMORANDUM FOR THE DIRECTOR

I called SAC Hottel at the Washington Field Office and requested that he send an agent to the Passport Bureau immediately, in order to get all the information possible about William Rhodes Davis and his secretary, Erna F. Wehrle, whose name might possibly be spelled Whre or Wihre. I advised him that the Passport Bureau is familiar with both of these individuals.

I further advised Mr. Hottel that in connection with these two individuals there was supposed to have been an application of one J. Walter Jones, who was described as a bank president in Pittsburgh; that, however, there is no bank president in Pittsburgh by that name. I advised him that I learned, however, from an old mail cover that had been placed on William Rhodes Davis, that he received letters from Walter A. Jones, with the return address of Hotel Mayflower, Washington, D.C., and suggested that information may be obtained from the Mayflower Hotel as to this individual which will make it possible to get information from the Passport Bureau.

I advised Mr. Hottel that we would like to have a memorandum or report on this matter just as soon as the information can be obtained. Mr. Hottel advised that he will assign an agent to the matter immediately.

Respectfully,
E. A. Tamm

RECORDED & INDEXED

65-1168-321

FEDERAL BUREAU OF INVESTIGATION
OCT 3 1939
U. S. DEPARTMENT OF JUSTICE

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 4-28-98 BY SP2 alc/tm

NW 63226
DocId:34637063 Page 26

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

September 21, 1939

EAT:LCJ

9:30 A.M.

MEMORANDUM FOR THE DIRECTOR

Special Agent in Charge McKee called from Pittsburgh in regard to our request to obtain information about a broker by the name of J. Walter Jones in Pittsburgh. Mr. McKee stated that his office has checked thoroughly the telephone directory, City directory, the Rand-McNally Bankers Directory, credit agencies, and has also made an inquiry of Carl Cobb (phonetic) of the Union Trust Company, and no such man as J. Walter Jones is known in Pittsburgh.

I advised Mr. McKee that we will contact him if any more information is obtained in regard to this man.

Respectfully,

E. A. Tamm

RECORDED & INDEXED 65-1168-32X1

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 4-28-98 BY SP9 alc/ks

NW 63226
DocId:34637063 Page 27

DECODED COPY

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

SEP 21 1939

TELETYPE

CONFIDENTIAL

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

FBI NEW YORK CITY 9-21-39 7-10PM EDST

DIRECTOR

WILLIAM RHODES DAVIS ESPIONAGE. THROUGH ARRANGEMENTS WITH RCA COMMUNICATION INCORPORATED ALL OUTGOING MESSAGES FROM DAVIS AND COMPANY SINCE JULY FIRST SECURED, THOSE BEING OF POSSIBLE IMPORTANCE READING AS FOLLOWS,

JULY SIXTH, NINETEEN THIRTYNINE

W L GRAY

NORMANDIE RCNY

HAVE DEFERRED SAILING WILL BE NEW YORK YOUR ARRIVAL

JULY SIXTH, NINETEEN THIRTYNINE

APPROPRIATE AGENCIES AND FIELD OFFICES ADVISED BY ROUTING SLIP (S) OF 9-21-39 DATE 12/17/02

CONFIDENTIAL

Classified by 2909 DPJ/RH
Exempt from GDS Category
Date of Declassification Indefinate 4-12-98

DECLASSIFIED BY SP1CW/gcl ON 12/17/02

LC

HANSELL

ADLON BERLIN

PLANS CHANGED AM NOT SAILING STOP HAVE YOU SENT REPORT

SITUATION LONDON

JULY SIXTH, NINETEEN THIRTYNINE

RECORDED & INDEXED
65-1168-12

FEDERAL BUREAU OF INVESTIGATION
SEP 22 1939
U. S. DEPARTMENT OF JUSTICE

TAMM

DECLASSIFIED BY 65179/DMH/KSR ON 12-17-2002

destroyed - 30

NW 63226
DocId:34637063 Page 28

PAGE ONE CONTINUED

NLT EUROTANK BERLIN

WE CAN POSSIBLY DELIVER ONE CARGO NARANJOS MONTHLY PERHAPS HAMBURG CAN WORK OUT SOME WAY TO USE THIS CRUDE FOR FUELOIL ASPHALT ETC PLEASE ADVISE

JULY SIXTH, NINETEEN THIRTYNINE

NLT EUROTANK BERLIN

WE ARRANGED ADJUSTMENT YOUR THREE EIGHT NAUGHT WILL DELIVER LETTER AND DETAILS HERTZI STOP CONSTRUCTION AND OPERATION CONTRACT MEXICO READY EXECUTION ALSO HAVE CONSIDERABLY AMOUNT NEW BUSINESS AVAILABLE BUT DECLINING CONCLUDE EIG EITHER ARRANGEMENT UNTIL MATTERS BERLIN DEFINITELY SETTLED RESPECT OUR MEMORANDUM JUNE NINTH AND APRIL AGREEMENT REVISED TO BECOME WORKABLE OR CANCELLED STOP ALL MATTERS HELD ABEYANCE PENDING ARRIVAL REPRESENTATIVE SO HE CAN SEE AND UNDERSTAND SITUATION FIRSTHAND STOP GREATLY APPRECIATE AUTHORITIES AGREEING HIS VISIT AM CERTAIN WILL BE MOST BENEFICIAL ALL CONCERNED

NW 63226
DocId:34637063 Page 29

PAGE TWO

JULY SIXTH, NINETEENTHIRTYNINE

NLT CLEXXXXX

NLY

CLEMM

EUROTANK BERLIN

WE DOING ALL POSSIBLE FOR BENEFIT FRIEND TRUE SITUATION IS REFINERIES RUNNING FORTY PERCENT CAPACITY AND MECICO CONSUMING EVERY BARREL FUEL INLAND AND EVEN IMPORTING FUEL FOR WESTCOAST FROM FCCC CALIFORNIA HOWEVER WHEN NEW [redacted] OPERATIONS ARRANGEMENT COMPLETED AFTER VISIT REPRESENTATIVE HERE BELIEVE WITHIN SHORT TIME THEREAFTER WILL BE POSITION [redacted] [redacted] PERMANENTLY CONTINUE DELIVER LARGE QUANTITIES FRIENDS EVERY REQUIREMENT HOPE HE WILL BEAR WITH US UNTIL CONDITIONS RIGHT THEMSELVES STOP INCREASE GASOIL DUE TO REFINERY UTILIZING ALL FUELOIL THEREFORE DO NOT NEED THIS GASOIL FOR BLENDING INTO LIGHTFUELD STOP WHAT ABOUT GIVING HIM FIFTY [redacted] FIFTH ENGLER WHICH WE LOADING AT GULF YOU COULD DELIVER REFINERY FUELD TO IMPORTBOARD

JULY SIXTH, NINETEEN THIRTYNINE

NLY

NLT

NW 63226
DocId:34637063 Page 30

EUROTANK BERLIN

YOUR THREE EIGHT SIX PANUCO DIFFICULTIES ONLY TEMPORARY STOP WE DOING BEST WE CAN UNDER DISORGANIZED SITUATION MEXICO WHICH WE HOPE RECTIFY BUT BUT EXPECT NO IMPROVEMENTS UNTIL OPEATIONS SETFORTH PROFORMA CONTRACT BECOME EFFECTIVE STOP LIGHTFUELD PANUCO BUNKER WILL DEFINITELY BE CONSIDERABLY SHORT OF CONTRACT CONTRACT DUE SITUATION ABOVE STOP AUGUST DELIVERIES AVAILABLE AT PRESENT IN BARRELS POZARICA TWO NAUGHT NAUGHT NAUGHT NAUGHT NAUGHT OR MORE PANUCO NINE NAUGHT NAUGHT NAUGHT NAUGHT POSSIBLY ONE FIVE NAUGHT NAUGHT NAUGHT NAUGHT LOWOCTANE SWEET ONE FIVE NAUGHT NAUGHT NAUGHT NAUGHT GASOIL TWO NINE NAUGHT NAUGHT NAUGHT NAUGHT SIX ONE/SIX THREE OCTANE ONE HUNDRED THOUSAND STOP HOPE OBTAIN TWO CARGOES BUNKER AND TWO CARGOES LIGHTFUELD HOUSTON WILL NOT KNOW FIRM FOR SEVERAL DAYS STOP STOP POSITIVELY WILL BE NO BUNKER OR LIGHTFUELD FROM MEXICO FOR AUGUST THEREFORE NO NEED SEND BOATS FOR LOADING PRODUCTS NOT AVAILABLE STOP PROVIDING YOU AGREEABLE PETTER GASOIL CAN BE USED FOR REPLACEMENT STOP AGREEABLE FINANCE EMMYFRIEDRICH TEMPORARILY STOP CAN ONLY LOAD SAMLAND POZARICA COULD LOAD DITHMARSCHEN MEXICO FIFTY PERCENT GASOIL FIFTY PERCENT POZARICA BUT MUST HAVE CREDIT OPENED GASOIL PORTION STOP IF YOU NEED MORE THAN TWO NINE NAUGHT NAUGHT NAUGHT NAUGHT BARRELS GASOIL MUST LOAD EXCESS GULF APPRECIATE YOUR ADVISING US IF YOU REQUIRE MORE STOP YOUR THREE EIGHT ONE ASPHALT AVAILABLE BUT NO PROFIT IN PRICES STATED YOUR CABLE IN ADDITION WE NOT IN POSITION FINANCE DUE HEAVY DRAWINGS OUR CREDIT BY YOUR SIDE STOP YOUR THREE EIGHT NINE NO STOP ALSO REPORTED BRAZILIAN DEAL NOT CORRECT STOP WE GETTING ALL PRODUCTS AVAILABLE

NW 63226
DocId:34637063 Page 31

PAGE FOUR

JULY TWENTYSEVENTH, NINETEEN THIRTYNINE

NLT

PHILOSOPHY LONDON

RETEL WILL ABIDE BY ANY DECISION YOU MADE REGARDING [redacted] POPPER ACCEPT-
ANCE BUT DO NOT WANT FORCE POPPER PAY IF HE HAS MADE ANY PREVIOUS ARRANGE-
MENT WIL CLEMM AS STATED HIS LETTER TO US JULY THREE STOP PLEASE ADVISE
WHAT ARRANGEMENT YOU MAKE

AUGUST TWENTYEIGHTH, NINETEENTHIRTYNINE

NLT

EUROTANK BERLIN

FORTY FOUR B YOUR [redacted] FOUR FOUR FIVE CONFIRM BUESTEN [redacted] FOR SIXTY
FIVE OCTANE STOP REGARDING SWAP APYMENT WITH RACINE WE FOLLOWING [redacted]
FRIENDS INSTRUCTIONS THIS MATER AND WILL ADVISE LATER HOW SHOULD BE
HANDLED

AUGUST TWENTY NINE, NINETEEN THIRTYNINE

BINGEN

NESTORSTRASSE FIFTYTHREE

BERLIN

UNTERRICHTET ARZT EIN BIDON TAMPICO GESTOPPT KIRCHE SOLL AMBULANZ
ANWEISEN

GRAF

AUGUST THIRTY, NINETEEN THIRTYNINE

LC

HERTSLET

THIRTYONE PRINZ HANDJERSTR

BERLIN WILMERSDORF

NW 63226
DocId:34637063 Page 32

PAGE FIVE

ANKOMME FREITAG LISSABON SICHERSTELLE MIT BINGENS HILFE ANSCHLUSS VERBINDUNG TEMPELHOF WENN LUFTHANSA UNMOEGLICH SOLL FISCHTAL SOFORT ANDERE VERBINDONG SCHAFFEN UND LISSABON GESANDSCHAFT UNTXXX UNTERRICHTEN STOP EINLADE ENTSPRECHEND FREITAG SAMSTAG ABEND GUSTL DICKEN GISCHTAL MALLE HANDLE SOFORT

WUSCH

SEPTEMBER NINETH , NINETEEN THIRTYNINE

NLT

JOACHIM HERTSLET

PRINZHANDJERY STRASSE THIRTYONE

BERLINZEHLENDORF GERMANY

THANKS CABLE CONGRATULATIONS SUCCESS STOP SEE OUR CABLE GUSTAF FOURTH SENT THROUGH FUERST ALSO OUR FORTY EIGHT B TO EUROTANK STOP MEDIZIN SITUATION HERE AT BREAKING [redacted] POINT APPRECIATE WHATEVER YOU CAN DO REGARDS FROM ALL CRYSTHEMUM SENDS GREETING AND UNDERSTNDS

SEPTEMBER ELEVEN, NINETEENTHIRTYNINE

NLT

DEUTSCH SUDAMERIKANISCHE BANK

HAMBURG GERMANY

CAN YOU FURNISH US WITH COMPLETE STATEMENT S FOR MONTHS OF JULY AND AUGUST NINETEEN THIRTYNINE OF OIL VERRECHNUNGSKONTO UNTERKONTO W R DAVIS COMMA NEBENKONTO D ZUM SPEZIAL ASKI COMMA SPEZIAL ASKI

NW 63226
DocId:34637063 Page 33

PAGE SIX

NLT JOACHIM HERTSLET PRINZHANJERTSTRASSE THIRTYONE

BERLINE-ZEHLENDORF

WILL MEET FRANZI FRIDAY AND ADVISE HIS DISPOSITION REFERENCE YOUR CABLE ELEVENTH STOP YOUR TENTH OVER MUTTER CAN SHIP FROM MEXICO OR USA ONLY AGAINST HOLZ FOB TO YOUR ORDERS STOP PRICES LAXXX LOW PLATTS OILGRAM USGULF WHICH IS TODAY ABOUT FOUR AND THREE QUARTERS PER GALLON STOP CABLE LOWEST AND HIGHEST PRICE YOU EXPECT OBTAIN FOR MASS MEXICO STOP LEAVING CLIPPER NEW YORK TWENTIETH MEET GRAF ARTZ GRAND HOTEL ~~XXXXX~~ ROME STOP MASSNAT STILL SHAKY.

EXCEPT AS INDICATED, ALL MESSAGES SIGNED BY DAVIS OR DAVCOM. PHOTOSTATIC COPIES REMAINING INCOMING MESSAGES APPARENTLY RELATING TO NORMAL BUSINESS TRANSACTIONS TOGETHER PHOTOSTATS ABOVE QUOTE BEING FORWARDED. SEARCH BEING CONDUCTED FOR INCOMING MESSAGES.

FOXWORTH

END

OK FBI WASH DC JAR

CONFIDENTIAL

NW 63226
DocId:34637063 Page 34

Federal Bureau of Investigation

United States Department of Justice

Washington, D. C.

September 21, 1939

Director
Federal Bureau of Investigation
Washington, D. C.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5-1-96 BY SP3BJ/RDS
#386824

Dear Sir:

Reference is made to my telephonic communication with Mr. E. A. TAMM of the Bureau on September 21, 1939 at which time Mr. TAMM requested that this office obtain from the State Department all possible information concerning a WILLIAM RHODES DAVIS and his secretary, ERMA F. WEHRLE.

Mr. TAMM stated that one J. WALTER JONES, who is supposed to be connected with DAVIS, is believed to be WALTER A. JONES and that he has stopped at the Mayflower Hotel on various occasions. Mr. TAMM requested that appropriate inquiry be made at the Mayflower Hotel for any information concerning JONES.

Special Agent (A) U. J. GERDES, contacted Mr. E. A. ELDRED, Credit Manager of the Mayflower Hotel, Connecticut Avenue at DeSales Street, Washington, and Mr. ELDRED advised that a Mr. WALTER A. JONES maintains offices at the Mayflower Hotel and at the present time occupies Rooms Nos. 736 and 737. He indicated that Mr. JONES has furnished his residence address as 2325 Wyoming Avenue, N. W., Washington, D. C.

Mr. ELDRED produced his credit file relating to WALTER A. JONES. A review of this file indicated that WALTER A. JONES originally applied for credit at the Mayflower Hotel on May 26, 1926. In the application for credit he furnished his business address as 516 Rowlands Building, Columbus, Ohio and his residence address as 1385 East Broad Street, Columbus, Ohio. He further indicated in the application that he was President of the Board of Trustees, Ohio Weslyan University, Delaware, Ohio. He furnished the Ohio National Bank of Columbus, Ohio as a bank reference. The Mayflower Hotel received a letter from the Ohio National Bank of Columbus, Ohio indicating that Mr. JONES maintained a satisfactory account. The credit file contained a report dated April 27, 1933 prepared by the Associated Retail Credit Men's Company, 930 H Street, N. W., Washington, D. C. The report indicated that WALTER A. JONES is approximately 50 years of age; that he is married; and that his wife's ~~name is~~ EMMA.

1 Copy destroyed -50

RECORDED & INDEXED

65 1168-32X3

FEDERAL BUREAU OF INVESTIGATION

TAMM TWOD

OCT 3 1939

NW 63226
DocId:34637063 Page 35

DIRECTOR
Re: Information Concerning
WILLIAM RHODES DAVIS; ET AL.
September 21, 1939

The report further indicates that WALTER A. JONES had been manager of the Eastern Ohio Development Company and the Big Lake Oil Company for a number of years and that he is said to be a man of large means in his own right. JONES was reported to reside at the Duquesne Club when stopping in Pittsburgh, Pennsylvania. WALTER A. JONES was reported as having bank connections with the Colonial Trust Company, Pittsburgh, Pennsylvania. The file contained a letter from the Colonial Trust Company dated April 24, 1933 which stated that WALTER A. JONES maintained a satisfactory account with that bank.

The file contained a letter dated April 20, 1933 addressed by WALTER A. JONES to the Mayflower Hotel which transmitted a check in the sum of $263.76 issued by the Big Lake Oil Company in payment of JONES' bill at the Mayflower Hotel. This letter was written on stationery bearing the letterhead "WALTER A. JONES, Benedum-Trees Building, Pittsburgh, Pa.".

The credit file contained a newspaper clipping dated July 26, 1937 (name of newspaper not indicated) which related to changes in the executive personnel of the Good Neighbor League. The newspaper article indicated that the Good Neighbor League had been sponsored by President ROOSEVELT. The article stated that DR. STANLEY HIGH had resigned as Executive Director and WALTER A. JONES had been appointed President which was a new position created within the Good Neighbor League. The article indicated that the Good Neighbor League defines its purpose as to break down racial, social, economic, and general class prejudice.

The newspaper article described JONES as being an industrialist of Pittsburgh, Pennsylvania in Washington, D. C. It further stated that he was an oil operator and was formerly a member of the Coal Code Authority and aided in drafting the Guffey Coal Control Act.

The credit file contained a letter dated May 30, 1939 addressed by WALTER A. JONES to the Mayflower Hotel transmitting his personal check in the sum of $418.58 in payment of his bill at the hotel. The letter indicated that the check was drawn on the Guaranty Trust Company of New York City. This letter bore the letterhead

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DIRECTOR
Re: Information Concerning
WILLIAM RHODES DAVIS; ET AL.
September 21, 1939

"WALTER A. JONES, Chairman, Pennsylvania Turnpike Commission, Harrisburg, Pennsylvania".

Mr. ELDRED advised that he was not personally acquainted with WALTER A. JONES. He stated he knows that WALTER A. JONES has either maintained offices or possibly lived at the Mayflower Hotel since about 1933. He stated he did not know what type of business JONES conducted in his office at the hotel.

Inquiry was made of Mr. ELDRED relative to WILLIAM RHODES DAVIS and ERMA F. WEHRLE. Mr. ELDRED stated that DAVIS occasionally stopped at the Mayflower Hotel. He stated he had just received a letter signed by WEHRLE transmitting a check in final settlement of DAVIS' bill at the hotel. Mr. ELDRED called the bookkeeping department and ascertained that the $20 check was drawn on the First National Bank of Boston, Boston, Massachusetts. He showed Agent the letter which he had received transmitting the check. The letter was dated September 20, 1939 and bore the letterhead "Davis and Company, 30 Rockefeller Plaza, New York, New York". The letter is signed "E. F. WEHRLE, Secretary".

Mr. ELDRED stated that he was not personally acquainted with DAVIS or WEHRLE and he knew of no connections which they might have with WALTER A. JONES.

Mr. ELDRED was requested to keep this inquiry in the strictest confidence.

Miss ISABEL NOLPH, Stone's Mercantile Agency, 1419 H Street, N. W., produced their file relating to WALTER A. JONES. The file was very brief. It indicated that since prior to 1937 JONES had been connected with the Benedum-Trees Corporation of Pittsburgh, Pennsylvania, an oil and gasoline company. This file stated that JONES was reported to be worth about two million dollars. The report showed his residence as 2325 Wyoming Avenue, N. W., Washington, D. C. It further indicated that he apparently maintains an office at that address as well as at the Mayflower Hotel. Stone's Mercantile Agency prepared the credit report upon the request of Baum and Company, Inc., 1416 Eye Street, N. W., Washington, D. C.

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DIRECTOR
Re: Information Concerning
WILLIAM RHODES DAVIS; ET AL.
September 21, 1939.

Miss NOLPH advised that their files failed to reflect any information concerning WILLIAM RHODES DAVIS and E. F. WEHRLE.

MR. J. C. McKENNA, Foreign Service Officer, Passport Division, Room 170, State Department, was contacted and inquiry made relative to WILLIAM RHODES DAVIS and ERMA F. WEHRLE. He advised that he was not personally acquainted with the case and he called his assistant, A. J. NICHOLAS. Mr. NICHOLAS produced their file covering WILLIAM RHODES DAVIS. This file reflected WEHRLE'S correct name as being ERNA FRIEDA WEHRLE.

At the time Agent commenced a review of the file, Mrs. R. B. SHIPLEY, Chief of the Passport Division, entered the room. She stated that the F.B.I. had already been furnished with complete information relative to DAVIS and WEHRLE. She stated that Mr. BERLE, Assistant Secretary of State, is very much interested in the matter, and upon his request she had caused all the papers in the file of ERNA FRIEDA WEHRLE to be photostated and likewise the papers in the file of WILLIAM RHODES DAVIS. She further advised that Mr. F. WARREN had personally taken these papers to Mr. E. A. TAMM of the Bureau on the morning of September 21, 1939. She stated that these papers have been personally delivered by Mr. WARREN in order to expedite the matter, and further, that there were certain matters relating to the case which they did not desire to incorporate in a letter. Mrs. SHIPLEY further stated that she understood the F.B.I. has previously conducted considerable investigation relative to WILLIAM RHODES DAVIS. She said that she thought there would be merely a duplication of work to go over the entire matter again.

A brief review was made of the file of WILLIAM RHODES DAVIS. The file reflected that since 1924 DAVIS has obtained numerous passports. He indicated in the passports he was born on February 10, 1889 at Montgomery, Alabama. He lists as his occupation, oil producer and engineer. The first information in the file is in the nature of a letter dated September 29, 1924 addressed to the State Department by the British-Mexican Petroleum Company, Ltd., 21 State Street, New York City. This letter stated that it was necessary that WILLIAM RHODES DAVIS obtain a passport in order that he might go to England and Germany on business. In the application for passport filed on August

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DIRECTOR
Re: Information Concerning
WILLIAM RHODES DAVIS; ET AL.
September 21, 1939

17, 1932 DAVIS gave his address as 20 Chapel Street, Brookline, Mass. In an application filed on August 2, 1938 DAVIS gave his legal residence as 2 Cooper Road, Scarsdale, New York. He furnished as reference W. LATIMER GRAY, 1 Federal Street, First National Bank, Boston, Mass. The file further indicated that DAVIS' wife's name is MARIE M. T. DAVIS and that his secretary's name is ERNA FRIEDA WEHRLE.

A passport was issued to WILLIAM RHODES DAVIS on July 13, 1938 good until July 13, 1940. This passport was validated under the new regulations on September 14, 1939. DAVIS directed a letter to the State Department under date of September 13, 1939 (a photostatic copy of the letter has been furnished to the Bureau in accordance with the statement of Mrs. R. B. SHIPLEY) requesting an extension on his passport. The extension was granted good until November 20, 1939. In the letter of September 13, 1939, DAVIS indicated that it was necessary for him to go to Italy on business and to hold a conference in Rome with certain of his business associates in order to liquidate certain credits because of the war condition.

The file indicated that DAVIS is due to sail on the Clipper on September 20, 1939 and that he was to go to Italy stopping at Spain and Portugal in transit.

A check of the index files of the Washington Field Division failed to reflect any previous information concerning WALTER A. JONES, WILLIAM RHODES DAVIS and ERNA FRIEDA WEHRLE.

Very truly yours,

GUY HOTTEL
Special Agent in Charge

UJG:JG

cc-New York

NW 63226
DocId:34637063 Page 39

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

September 21, 1939

EAT:TEB

Time 4:55 p. m.

MEMORANDUM FOR THE DIRECTOR

SAC Hottel called and stated he had just returned from the Passport Division of the State Department where he was advised by Miss Shipley that the files on the two individuals in question were sent to the Bureau this morning.

I told Mr. Hottel these files were not received but a photostatic copy of the application for passport of Erna Wehrle was received from Mr. Messersmith. I instructed Mr. Hottel to check on this matter tomorrow morning.

Mr. Hottel advised that quite a bit of information was obtained relative to [redacted] Walter A. Jones. He advised that Jones lives in Washington at 2325 Wyoming Avenue and maintains offices at the Mayflower. He stated investigation also shows that Jones at one time had offices in Pittsburgh, Pennsylvania and was Chairman of the Pennsylvania Turnpike Commission at Harrisburg, Pennsylvania. I instructed Mr. Hottel to handle any leads suggested by his investigation by calling the appropriate field office and requesting immediate investigation.

Mr. Hottel stated Mr. Foxworth called him from New York and inquired if any addresses have been discovered during investigation in Washington. Mr. Hottel stated he told Mr. Foxworth the only address uncovered was the Guaranty Trust Company. Mr. Hottel inquired whether Mr. Foxworth should check relative to this and I told him by all means a check should be made. He stated he would call Foxworth and so advise him.

He stated a memorandum would be sent to my Office shortly relative to the investigation conducted thus far.

65-1168-3284
FEDERAL BUREAU OF INVESTIGATION
OCT 3 1939
U. S. DEPARTMENT OF JUSTICE

RECORDED & INDEXED

Respectfully,

E. A. TAMM

FILES

TWO

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 4-28-98 BY SP2 alm/ltr

NW 63226
DocId:34637063 Page 40

Federal Bureau of Investigation
United States Department of Justice

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Suran
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

GAN:VA
65-128

New York City
September 22, 1939

Director
Federal Bureau of Investigation
Washington, D.C.

~~PERSONAL AND CONFIDENTIAL~~

Re: WILLIAM RHODES DAVIS
Espionage

Dear Sir:

I am transmitting herewith photostatic copies of telegrams sent by DAVIS and his associates through the facilities of the POSTAL TELEGRAPH COMPANY during the months of September, October, November, December 1938 and June and July of 1939.

In order to expedite the submission of this information the individual telegrams are not being listed. However, they are contained on photostatic sheets attached hereto which are numbered from 1 to 17 inclusive.

In the event a further search of the records of the POSTAL TELEGRAPH COMPANY reflects further material, the same will be submitted to the Bureau as rapidly as possible, and in those instances where it appears any messages are of particular interest, they will be submitted to the Bureau by teletype.

Very truly yours,

E. E. FOXWORTH
Special Agent in Charge

Encls. 17
SPECIAL DELIVERY

UNRECORDED COPY TO INVEST. UNIT ORIGINAL TO LABORATORY

1 copy destroyed 3

APPROPRIATE AGENCIES AND FIELD OFFICES ADVISED BY ROUTING SLIP(S) OF Declass DATE 5-1-78 Boyle

Copy and Specimens Received in Laboratory
10-4-39 mt

Appel
Blackburn
Ribsburg

DECLASSIFIED BY 2909 DPJ/dd
ON 4-10-78

RECORDED 65-1168-33
FEDERAL BUREAU OF INVESTIGATION
OCT 2 1939
U.S. DEPARTMENT OF JUSTICE

LAB. TAMM

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DocId:34637063 Page 41

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
SEP 22 1939

TELETYPE

DECODED COPY

CONFIDENTIAL

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Spears
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

DATE 2/28/79

FBI NEW YORK CITY 9-22-39 1-55 PM ERL

DIRECTOR

WILLIAM RHODES DAVIS ESPIONAGE. PAN AMERICAN AIRWAYS ADVISES OF FOLLOWING TRAVEL OF SUBJECT AND HIS ASSOCIATES--

FEBRUARY TWELFTH, THIRTY NINE, SUBJECT BOOKED PASSAGE BROWNSVILLE TEXAS TO MEXICO CITY ACCOMPANIED BY C E MCDONALD AND H H HEGEMANN AND ERNA F WEHRLE. (X)(U)

APRIL TWENTY FOURTH, MAY TWELFTH AND MAY TWENTY NINTH, TRAVELED BROWNSVILLE TO MEXICO CITY, ACCOMPANIED BY WEHRLE IN EACH INSTANCE.

JULY THIRTY FIRST, BROWNSVILLE TO MEXICO CITY, ACCOMPANIED BY J G A HERTSLET, E BRIESCHRE, H W WILSON AND WEHRLE. MESSRS HERTSLET AND BRIESCHRE ARE REPORTED BY PAN AMERICAN TO HAVE BEEN GERMAN CITIZENS, WITH PAPERS IN ORDER. (X)(U)

DECLASSIFIED BY SP1 CLK/qel
ON 12/17/02

AUGUST TWENTY FIRST, BROWNSVILLE TO MEXICO CITY, ACCOMPANIED BY WEHRLE, MRS W R DAVIS AND H W WILSON.

RECORDED & INDEXED 65-1168-33

SEPTEMBER FIRST, BROWNSVILLE TO MEXICO CITY ACCOMPANIED BY WEHRLE.

SEPTEMBER TWENTIETH, PORT WASHINGTON L I TO LISBON PORTUGAL TRAVELING ALONE (X)(U)

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

CONFIDENTIAL

FOXWORTH (X)(U)

END Copy destroyed 9-30

GR DC CFD

Classified by 2900 DPJ/dlw
Exempt from GDS Category 2
Date of Declassification Indefinate
4-12-78

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DocId:34637063 Page 42

Federal Bureau of Investigation
United States Department of Justice

Washington, D. C.

September 22, 1939

Director
Federal Bureau of Investigation
Washington, D. C.

Re: WILLIAM RHODES DAVIS
ESPIONAGE

Dear Sir:

Reference is made to teletype dated September 21, 1939 from the New York Office to the Bureau and also to my telephonic communication with Mr. E. A. TAMM of the Bureau, in reference to possible information in the Congressional Record relating to WILLIAM RHODES DAVIS and WALTER A. JONES.

There is transmitted herewith a copy of the Congressional Record covering the period from July 17 to August 15, 1939, #15, Part 2. Considerable information is reflected in the Record for July 29, 1939, pages 14,485 to 14,492, inclusive, relating to introduction of certain material by Senator BRIDGES relative to WILLIAM RHODES DAVIS and WALTER A. JONES.

The Congressional Record transmitted herewith has been obtained by Special Agent (A) U. J. GERDES from the Department of Justice Library where it is charged out to him. It is suggested that the Congressional Record be returned after it has served its purpose.

Very truly yours,

GUY HOTTEL
Special Agent in Charge

UJG:AM
62-3933
Enclosure

Enc. has been returned to W.J.O. for return to Dept. Library 9/28/39 de

RECORDED
&
INDEXED

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 4-28-98 BY SP2 alc/cdm

65-1168-33X

FEDERAL BUREAU OF INVESTIGATION
OCT 3 1939
U.S. DEPARTMENT OF JUSTICE

NW 63226
DocId:34637063 Page 43

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

September 22, 1939

EAT:LCJ

4:05 P.M.

MEMORANDUM FOR THE ~~DIRECTOR~~

RE: WILLIAM RHODES DAVIS;
J. WALTER JONES -
ESPIONAGE

SAC Guy Hottel called from the Washington Field Office in regard to our request that he obtain information regarding these individuals from the Congressional Record. He advised that there is considerable information on Davis and Jones in the Congressional Record, consisting of six pages in small type. He stated that he has a copy of the Congressional Record from the Department library, and inquired to whom he should send it.

I advised Mr. Hottel to send it to Mr. Carson.

~~Respectfully,~~

E. A. Tamm

RECORDED & INDEXED

65-1168-3312

FEDERAL BUREAU OF INVESTIGATION
OCT 3 1939
U. S. DEPARTMENT OF JUSTICE
FILES

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-28-98 BY SP2 alc/ttm

NW 63226
DocId:34637063 Page 44

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:COH

Time: 11:03 a.m.

September 23, 1939

MEMORANDUM FOR THE DIRECTOR

RE: WILLIAM RHODES DAVIS;
ESPIONAGE

SAC Hottel of the Washington Field called to advise it has been ascertained that the Passport Division of the Department of State does have a file on Walter A. Jones but that the information therein will not be made available unless they have a letter addressed to the Secretary of State. I advised Mr. Hottel a letter would be prepared to the Secretary of State for your signature and sent to him, Hottel.

Respectfully,

E. A. TAMM

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-28-98 BY SP2 alc:c/mn

RECORDED & INDEXED
65-1168-3313
FEDERAL BUREAU OF INVESTIGATION
OCT 3 1939
U. S. DEPARTMENT OF JUSTICE
FILES
TWO

Federal Bureau of Investigation

U. S. Department of Justice

~~PERSONAL AND~~
~~STRICTLY CONFIDENTIAL~~

San Antonio, Texas
September 25, 1939

RHW/ML

DECLASSIFIED BY 2909 DPS/df
ON 4-10-78

Director,
Federal Bureau of Investigation,
Washington, D. C.

Re: TELEPHONE SURVEILLANCE IN
AND OUT OF MEXICO.
ESPIONAGE

Mr. Tolson .....
Mr. Nathan .....
Mr. E. A. Tamm .....
Mr. Clegg .....
Mr. Ladd .....
Mr. Coffey .....
Mr. Egan .....
Mr. Glavin .....
Mr. Crowl .....
Mr. Harbo .....
Mr. Lester .....
Mr. Hendon .....
Mr. Nichols .....
Mr. Rosen .....
Mr. Sears .....
Miss Quinn Tamm .....
Mr. Tracy .....
Miss Gandy .....

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF Declass
DATE 5-1-78 Bpm

Dear Sir:

Reference is made to the teletype sent the Bureau on September 23, 1939, relaying information received from SAC GUS T. JONES in Mexico City relative to W. R. DAVIS.

Pursuant to telephonic instructions received on Sept. 23, 1939, by Special Agent P. E. ERTZINGER from Mr. EDWARD TAMM of the Bureau Acting Agent in Charge R. H. WINTON immediately telephoned SAC JONES at the U. S. Embassy in Mexico City and advised him that Mr. TAMM of the Bureau had advised that the Bureau is very interested in the information contained in the referenced teletype and desired that SAC JONES try to get more information about the use of radios on the interned ships and also any additional information he might be able to get regarding the matter set out in referenced teletype and further that this information be sent to the Bureau as soon as possible.

SAC JONES advised during this conversation that he had contacted Mr. TAMM of the Bureau direct and requested that he be furnished with an address in Washington, D. C. to which he might mail reports on this matter direct, in view of the fact that it would be impossible to send complete information by teletype or telephone.

On September 25, 1939, Mr. AL ROSEN of the Bureau called Acting SAC WINTON by telephone at 11 A.M. and instructed that Agent WINTON immediately contact SAC JONES by long distance telephone and instruct SAC JONES to forward all information in this matter to the following address:

RECORDED & ~~INDEXED~~

DIXON KIMMEREL
P. O. Box 1503
City Post Office
Union Station
Washington, D. C.

65-1168-34
FEDERAL BUREAU OF INVESTIGATION
SEP 26 1939
U. S. DEPARTMENT OF JUSTICE

Mr. ROSEN also stated that information received from sources in Washington, D. C. indicated W. R. DAVIS was in Washington, D. C. at 11:45

TAMM TWO

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DocId:34637063 Page 46

Director, #2 September 25, 1939

A.M. on September 15, 1939, and requested that SAC JONES re-check this matter. At 11:15 A.M. on September 23, 1939, Acting SAC WINTON contacted SAC JONES by long distance telephone in care of the American Embassy, Mexico City, and gave him the above information. SAC JONES stated that he would re-check the information regarding W. R. DAVIS being in Mexico City on September 17, 1939 and would send this and any additional information to the above Post Office Box.

Very truly yours,

Gus T. Jones, RHW
Special Agent in Charge.

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JOHN EDGAR HOOVER
DIRECTOR

[redacted] [redacted]

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

JFS:DF

September 29, 1939

MEMORANDUM FOR THE FILE

Re: William Rhoades Davis
Espionage

While speaking to Assistant SAC Donegan at New York, he advised that the surveillance of the woman who is a friend of Davis is being maintained but is rather loose inasmuch as she has an office in the Rockefeller Center. They know she goes to work and remains there, and it is hard during working hours to ascertain her activities.

He stated that, of course, information is obtainable from her telephone.

Mr. Donegan advised that this surveillance would continue.

J. F. Sears

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-24-98 BY SP2 alc/clc ITM

RECORDED 65-1168-35

FEDERAL BUREAU OF INVESTIGATION
OCT 2 1939
U. S. DEPARTMENT OF JUSTICE

FILES

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DocId:34637063 Page 48

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:COH

Time: 3:50 p.m.

September 26, 1939

MEMORANDUM FOR THE DIRECTOR

RE: WILLIAM RHODES DAVIS, et al
ESPIONAGE

Agent Winton telephonically advised that SAC Jones states that W. R. Davis was in Mexico City on September 16, 1939. His mode of leaving Mexico City is not known however Mr. Jones will obtain this information and send the same to the address given him by Mr. Winton yesterday.

Mr. Winton further advised that a teletype was sent to the Bureau under date of September 23, 1939, relating information that Mr. Jones furnished the San Antonio Office wherein it is stated that indications are that a radio was used. In this respect, Mr. Jones now has advised that a cable definitely was not used to forward the information.

Respectfully,

E. A. TAMM

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-28-98 BY SP2 alc/ltr

RECORDED 65-1168-36

DEC 28 1939

U.S. DEPARTMENT OF JUSTICE

TOLSON
TAMM
TH

NW 63226
DocId:34637063 Page 49

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

Federal Bureau of Investigation
United States Department of Justice

New York, N.Y.

65-128
HGR:AOBS

September 28, 1939

Director
Federal Bureau of Investigation
Washington, D. C.

~~PERSONAL AND CONFIDENTIAL~~

RE: WILLIAM RHODES DAVIS
ESPIONAGE.

Dear Sir:

This is to advise that telephone tap was placed on the telephone of MISS ERNA ~~X~~WEHRLE, 30 East 68th Street, New York City, which telephone is identified as REGENT 7-3176, and the surveillance of this telephone is being maintained by means of a Dial Recorder located in the Superintendent's apartment at 11 East 73rd Street, New York City.

The tap was placed in operation at 4:30 P.M. on September 27, 1939.

A copy of the memorandum outlining the details of this tap is forwarded herewith.

Partially declassified
DOJ Letter
12/3/63 #39

Very truly yours,

P. E. Foxworth

P.E. FOXWORTH
Special Agent in Charge

DECLASSIFIED BY 2909 DPS/dlf
ON 4-10-78

Enclosure (1)

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF Dec 1 35
DATE 5-1-78 BMC

RECORDED
&
INDEXED

65-1168-37
FEDERAL BUREAU OF INVESTIGATION
OCT 2 1939
U. S. DEPARTMENT OF JUSTICE

1 ENCL. C

65-1168-1782

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DocId:34637063 Page 50

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES
DEPARTMENT OF JUSTICE

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300

1 ENCLOSURES FOR Bureau

RE NEW YORK FILE NO. 65-128

OFFICE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-28-98 BY SP2 alc/tm
ON THIS ENVELOPE

65-11848-37

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DocId:34637063 Page 51

New York, N.Y.

65-128
HGR:AOES

September 28, 1939

MEMORANDUM FOR FILE

RE: WILLIAM RHODES DAVIS
ESPIONAGE

In accordance with telephonic instructions received from Mr. E. A. Tamm, of the Bureau, on September 23, 1939, a survey was made for the purpose of placing a telephone tap on telephone located at 30 East 68th Street, New York City, which telephone is identified as REGENT 7-3176, and is listed for MISS ERNA F. WEHRLE, who is identified as the secretary of William Rhodes Davis.

It was ascertained that this telephone is located in Apartment 10-A at this address, and works from a Terminal #182, in a floor box located on the eleventh floor at that address. The distribution in this apartment house consists of a cross box located in the basement, as well as additional floor boxes on the 5th, 7th, 9th, and 11th floors in which floor boxes are located additional Feeder and House Pairs.

It was determined that the subject telephone did not operate from the cross box located in the basement, and it was necessary to gain access to the actual floors in order to determine the Terminal number from which this phone was operating.

Because of the nature of this investigation prior authority was obtained from Special Agent in Charge Foxworth before entering upon the floors of this apartment. Thereafter it was determined that the only Feeder Pair located in any of the house boxes appearing in any other area was Pair #181 which was being used by a "special service" subscriber and it was not possible to establish the phone number or the location of this phone. Because of the inability to locate any possible bridging it was necessary to locate the surveillance plant, if possible, in the instant premises and the agent of the building, MALCOLM SMITH, was contacted for that purpose and the results of that contact indicated that it was advisable to locate the plant at another address, if possible.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-22-91 BY SP4 Sglcm/ks

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DocId:34637063 Page 52

65-128
Memo for file

September 28, 1939

From the cross box located in the basement it was determined that Pair #53 is used for telephone identified as RHINELANDER 4-6810 which phone is located at 11 East 73rd Street, and a survey at that address indicated that the Terminals appearing in the Cross Box located at 30 East 68th Street likewise appear in the Terminal Box located at 11 East 73rd Street.

Through the cooperation of MR. DAVIS, of BROWN, WHEELOCK, HARRIS & STEVENS, INC., arrangements were made to locate the surveillance plant in the rooms occupied by the Superintendent in the basement of 11 East 73rd Street. It was previously determined that the Superintendent is of French nationality and has been employed for a long period of time by the instant agency.

A jumper was placed in the Floor Box located on the 11th floor from Feeder Pair #182, serving the subject telephone to House Pair #28, having previously determined that House Pair #28 is a spare pair. In the cross box located in the basement of this address a jumper was placed from House Pair #28 to Feeder Pair #55, it having previously been ascertained that Feeder Pair #55 was also a spare pair.

At 11 East 73rd Street it was ascertained that an unused pair of wires ran to the rear of the apartment near to the room which would be occupied for surveillance purposes, on the other end of which wires were unused in the Terminal Box.

At a point directly over the entrance to the Service Elevator these wires were opened, and tests were made to determine definitely that they were "dead" wires and a lead was placed from this point to the Dial Recorder located in the rooms of the Superintendent. Inside the Terminal Box this "dead" Pair of wires was connected to Feeder Pair #55 and tests were made by dialing the operator who checked that number REGENT 7-3176 was in service on the wires leading to the Dial Recorder.

To remove this tap at 11 East 73rd Street remove the wire connecting the Dial Recorder to the pair of wires running near the ceiling directly over the door leading to the Service Elevator. In the Terminal Box disconnect the pair of wires on

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Memo for File September 28, 1939

Terminal #55 allowing them to hang loose in the center of the box.

At 30 East 68th Street, in the basement box, remove the jumper connecting Feeder Pair #55 with House Pair #28. At this address in the Floor Box located on the 11th floor remove the jumper connecting Feeder Pair #182 with House Pair #28.

Submitted by

H.O. ROBINSON
Special Agent (A)

CC - NY 66-332

NW 63226
DocId:34637063 Page 54

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

AR:COH

September 25, 1939

Time: 11:25 a.m.

MEMORANDUM FOR MR. TAMM

RE: WILLIAM RHODES DAVIS;
WALTER A. JONES;
ESPIONAGE

Mr. Berle, Assistant Secretary of State, called in connection with your advice of this morning that Davis was located as being in Mexico on September 16.

Mr. Berle has checked his records and found that Davis was in Washington on September 15 at 11:45 a.m. and is therefore questioning Davis' being in Mexico on September 16.

A cablegram has been received by Mr. Berle which says that Davis arrived in Lisbon on the 22nd and left by airplane for Rome on the 23rd. He has a return reservation on the clipper from Lisbon on September 30 arranged through New York.

I advised Mr. Berle that a check would be made on the September 16 date.

Respectfully,

A. ROSEN

See. Berle was advised that Davis was in Mexico City the 17th not the 16th.
9/25/39

RECORDED
65-1168-38
FEDERAL BUREAU OF INVESTIGATION
SEP 26 1939
U.S. DEPARTMENT OF JUSTICE

TOLSON

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HEREIN IS UNCLASSIFIED
DATE 4-28-98 BY SP2 AUC/tlm

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Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

Federal Bureau of Investigation
United States Department of Justice
Pittsburgh, Pa.

September 26, 1939

PERSONAL AND CONFIDENTIAL

Director
Federal Bureau of Investigation
Washington, D.C.

Re: WILLIAM RHODES DAVIS
ESPIONAGE

Dear Sir:

Reference is made to teletype from the New York Field Division dated September 22, 1939 in the above captioned matter, requesting certain investigation at Pittsburgh, Pa.

During the course of the investigation requested in reference teletype, Special Agent FRANK J. DONAGHUE of this office, while examining the files in the Sun Telegraph newspaper which are commonly referred to as the "morgue files," came across a copy of an indictment returned by the U. S. Grand Jury before the Southern District of New York at the December Term of 1922 returning true bill of indictment against JOSEPH F. GUFFEY charging him in twelve counts with embezzlement of United States funds which he had in his custody and control when Director of the Bureau of Sales Office of the Alien Property Custodian.

This file revealed a memorandum prepared on legal size onion-skin which was apparently made or copied from the official record of the United States Attorney entering a nolle prosequi of the GUFFEY indictment which was nolle prossed by U. S. Attorney ROBERT E. MANLEY in November of 1930. The latter sets forth the reasons for recommendation for nolle prosequi by U. S. Attorney MANLEY and the Attorney General's concurrence therein.

The twelve counts of this indictment are being briefly set forth as follows:

Count 1. Charge of embezzlement of $275,000.00 under Guffey's control as of February 25, 1921.

Count 2. Charge of embezzlement of $275,000.00 (Same as #1)

65-1168-39
RECORDED & INDEXED
FEDERAL BUREAU OF INVESTIGATION
OCT 2 1939
U.S. DEPARTMENT OF JUSTICE

DECLASSIFIED BY SP2 alc/mm
ON 4-28-98

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DocId:34637063 Page 56

Count 3. Charge of embezzlement of $7,671.06 in possession and control of GUFFEY Mardh 7, 1921.

Count 4. Charge of embezzlement of $7,671.06 (Same as #3)

Count 5. Charge of embezzlement of $406,001.36 in possession and control of GUFFEY March 6, 1921.

Count 6. Charge of embezzlement of $406.001.36 (Same as #5)

Count 7. Charge of embezzlement of $275,000.00 - 2-25-21 (Same as #1)

Count 8. Charge of embezzlement of $275,000.00 - 2-25-21 (Same as #1)

Count 9. Charge of embezzlement of $7,671.06 - 3-7-21 (Same as #3)

Count 10. Charge of embezzlement of $7,671.06 - 3-7-21 (Same as #3)

Count 11. Charge of embezzlement of $406,001.36 - 3-12-21 (Same as #5)

Count 12. Charge of embezzlement of $406,001.36 - 3-12-21 (Same as #5)

The indictment was signed by WILLIAM HAYWARD, U. S. Attorney.

The memorandum on file previously referred to reflecting the nolle prosequi and the reasons given therefore is set forth in full as follows:

FOIA(b)3 - Rule 6(e), Grand Jury

NW 63226
DocId:34637063 Page 57

Page Denied

FOIA(b)3 - Rule 6(e), Grand J

Page Denied

FOIA(b)3 - Rule 6(e), Grand J

Page Denied

WILLIAM RHODES DAVIS
ESPIONAGE
Pittsburgh letter 9-26-39

FOIA(b)3 - Rule 6(e), Grand Jury

The above information is being furnished the Bureau under personal and confidential cover for its information in the premises.

Very truly yours,

S. K. McKEE
Special Agent in Charge

FJD:DAB
62-923
cc: New York

NW 63226
DocId:34637063 Page 61

Federal Bureau of Investigation
United States Department of Justice

New York, N.Y.

65-128
WJH:AOBS

September 29, 1939

Director
Federal Bureau of Investigation
Washington, D. C.

[redacted]

RE: WILLIAM RHODES DAVIS
ESPIONAGE

Dear Sir:

There are enclosed herewith two photostatic copies of the Dun & Bradstreet file concerning the Plymouth Oil Company.

It will be noted that Walter A. Jones, whose name has been mentioned prominently throughout the course of this investigation, is a Director of this concern.

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF Dec 1955
DATE 5-1-78 bcpl

Very truly yours,

P. E. Foxworth

P. E. FOXWORTH
Special Agent in Charge.

[redacted] CLASSIFIED BY 2090 DPS/dlf
ON 4-10-78

Enclosures (2)

RECORDED & INDEXED 65- 1168 - 40

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Penton
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

NW 63226
DocId:34637062 Page 62

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT New York, New York

FILE NO. 65-117

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
St. Louis, Missouri	9-29-39	9-27-39	E. L. COCHRAN DB

TITLE	CHARACTER OF CASE
WILLIAM RHODES DAVIS	ESPIONAGE

SYNOPSIS OF FACTS: Articles by MARQUIS W. CHILDS and others appearing in St. Louis Post Dispatch from June 11 through August 7 1939 referring to subject's negotiations with the Mexican Government relative to Mexico's expropriated oil secured and forwarded to Bureau and auxiliary offices.

- P -

REFERENCE: Teletype from Pittsburgh Office dated 9-26-39
Teletype to Bureau, New York, etc., dated 9-26-39

DETAILS: AT ST. LOUIS, MISSOURI

At the office of the St. Louis Post Dispatch, St. Louis, there were purchased copies of the Post Dispatch issues of June 11, 1939, June 14, 1939, July 30, 1939, August 5, 1939 and August 7, 1939, copies of which are being forwarded to the Bureau and interested offices as requested in reference teletype from the Pittsburgh Office. One copy of each clipping is being retained in the St. Louis file.

The issue of the Post Dispatch for June 15, 1939 contained no article by MARQUIS W. CHILDS or any other writer referring to instant case.

The article by MARQUIS W. CHILDS appearing in the issue for June 11, 1939 is entitled "Mexico-U. S. Oil Parleys Break Down and Cardenas is Reported Dealing with Mystery Man Davis" and apparently reflects the beginning of negotiations of subject DAVIS for Mexico's expropriated oil.

APPROVED AND FORWARDED: E. B. Moore SPECIAL AGENT IN CHARGE

DO NOT WRITE IN THESE SPACES

65-1168-41 OCT 2 1939

OCT - 2 P.M.

COPIES OF THIS REPORT
5 Bureau 4 copies destroyed -30
2 New York
2 Pittsburgh
2 Washington Field
2 St. Louis

1 ENCL. BAP

U. S. GOVERNMENT PRINTING OFFICE 7—2034

[redacted] 4-23-98 BY SP3 [illegible]/ltr

NW 63226
DocId:34637063 Page 63

On June 14, 1939 issues of the St. Louis Post Dispatch carried an article by MARQUIS W. CHILDS headed "Guffey and Lewis helped Davis in Mexico oil deals".

The issue of said paper for June 16, 1939 on page one of the editorial section gave a signed article by MARQUIS W. CHILDS entitled: "Cardenas is key in oil dispute, aid in U. S. says".

On page one of the Post Dispatch for July 30, 1939, an unsigned article from the Post Dispatch Bureau, 201-05 Kellogg Building, Washington, is headed "Bridges Demands Mexico Oil Inquiry Based on Post Dispatch Article which Guffey calls Lie".

A denial by MARQUIS W. CHILDS of Senator JOSEPH GUFFEY's statement that said article referred to was "a 100 percent false, malicious, character destroying lie," appears on page one, boxed next to the aforesaid article.

The Post Dispatch on page 2 A of the issue of August 5, 1939, carries an article from the Post Dispatch Bureau, Washington, D. C., entitled "Senator Guffey sued by Marquis W. Childs".

The editorial page of the Post Dispatch for August 7, 1939 carries an editorial defending its correspondent, MARQUIS W. CHILDS, entitled "Senator-Slanderer Guffey" and ending - "Everybody who knows Mark Childs knows that he will be exonerated, and knows, too, that Senator Guffey will be exposed as Slanderer Guffey".

As reflected in reference teletype from the St. Louis Office dated September 26, 1939 the complete file on subject as handed to the St. Louis office for examination by Attorneys THOMPSON, MITCHELL, THOMPSON and YOUNG, 705 Olive Street, St. Louis, was forwarded to the Bureau. Immediately upon the return of the file by the Bureau, it will be reviewed and Attorney SAMUEL A. MITCHELL of said firm will be interviewed regarding complete detailed information in his possession relative to the Mexican visit of DAVIS, JONES and GUFFEY, referred to in reference teletype from the Pittsburgh Office, unless contrary instructions are received from the Bureau.

ENCLOSURES: TO THE BUREAU, NEW YORK, PITTSBURGH AND WASHINGTON FIELD OFFICES

1 copy each of the six newspaper clippings mentioned above.

UNDEVELOPED LEADS:

ST. LOUIS OFFICE, at St. Louis, unless otherwise instructed by the Bureau, will, upon return from the Bureau of the file of Attorneys THOMPSON, MITCHELL, THOMPSON and YOUNG, relating to subject, review said file

NW 63226
DocId:34637063 Page 64

and interview Attorney SAMUEL A. MITCHELL of said law firm, for such information as may be in his possession regarding the Mexican visit of subject DAVIS, WALTER A. JONES and Senator JOSEPH F. GUFFEY in May 1937, as requested by the Pittsburgh Office.

- PENDING -

ADDENDUM

Since the dictation of this report, a news item appeared in the St. Louis Post Dispatch for September 27, 1939 from Washington, D. C., to the effect that subject DAVIS in an effort to find new outlets for Mexico oil, had taken the Pan-American Clipper for Italy, exact date of departure and destination not given.

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DocId:34637063 Page 65

St. Louis Post-Dispatch
St. Louis, Missouri,
June 11, 1939

Re: William Rhodes Davis
Espionage
(St. L. # 65-117)

Mexico-U. S. Oil Parleys Break Down and Cardenas Is Reported Dealing With Mystery Man Davis

Disagreement Over Handling of Wells; Operator Who Arranged Barter Transaction Said to Control Hamburg Refinery.

By MARQUIS W. CHILDS
A Staff Correspondent of the Post-Dispatch.
(Copyright, 1939, Pulitzer Publishing Co.)

WASHINGTON, June 10. — Negotiations between American oil companies and the Mexican Government over expropriated American properties have broken down, the Post-Dispatch has learned, and Mexico is understood to be entering into a series of new transactions with W. R. Davis of New York, the independent oil operator who a year ago concluded a series of barter deals with Germany for Mexican oil.

Two transactions which Davis recently arranged are said to involve $10,000,000 and another $8,000,000. The Mexican Government in return for oil in these amounts would receive refining machinery which, it is hoped, would enable the Mexicans greatly to increase their oil production.

There has been no word from the Mexican Government concerning the oil issue since Donald Richberg, Washington attorney representing American and British interests, including Standard Oil and Royal Dutch Shell, last talked with President Cardenas early in May.

Richberg on May 9 gave Cardenas a memorandum outlining specific principles of a settlement which both sides were then optimistic of bringing about.

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HEREIN IS UNCLASSIFIED
DATE 4-28-98 BY SP1 glac/lm

65-1168-11

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Disagreed on Operation.

On virtually all major points, including compensation for the expropriated properties, the oil companies and the Government were in agreement. The question of actual ownership was left conveniently vague.

But the two parties could not agree on who should operate the Mexican oil industry, both sides insisting on this right. Particularly insistent was Vicente Lombaro Toledano, head of the Mexican Confederation of Labor, and members of the oil workers' union now operating the properties. Ostensibly it is over this difference that the negotiations have come to a standstill.

Meanwhile Davis, who is now in Mexico City, has been extremely active. Reports have come to the State Department here that he has been negotiating the new transactions with apparently unlimited capital.

Behind the Davis deals is an extraordinary network of intrigue involving high political figures in Washington and Mexico City.

How much of this behind the scenes activity will ever become known is doubtful but if and when the whole story of the fight for oil is revealed it will read like a Phillips Oppenheim thriller.

A Man of Mystery.

Davis is a man of mystery, a free lance oil operator with interests scattered all over the world, spending much of his time in airplanes and in urgent discussions on the trans-Atlantic telephone. He is said to control a large refinery in Hamburg, Germany, and much of the oil from expropriated Mexican wells has gone there. But in part at least this has been shipped after refining to the Scandinavian, Baltic and Central European countries.

Just how much was involved in the original Mexican-German deals, engineered by Davis, has never been definitely known. In the first three months Mexico received, according to a reliable source, more than $5,000,000 in cash and barter goods. Machinery, office equipment and newsprint were taken from Germany in exchange for Mexican oil.

State Department officials believe that Germany is behind Davis' present activities in Mexico.

Envoy Refers to Delays.

Mexican Ambassador Francisco Castillo Najera would make little comment on the reported breakdown of negotiations. He said there had been "delays" due to the fact that President Cardenas was traveling so rapidly in remoter parts of the country that he could not take time to consider the oil problem.

While holding out the possibility that negotiations might be reopened despite the delays, Embassy officials did not appear optimistic. Richberg, too, expressed doubt that anything further would come of the stalled negotiations. He expects to confer on Monday in New York with Standard Oil officials.

American oil companies have put a valuation as high as $175,000,000 on their properties. The Mexican figure is closer to $50,000,000. British holdings, including vast oil reserves, are far more valuable than American holdings. Following a sharp controversy after the properties were expropriated, the British broke off diplomatic relations with Mexico.

No Reply From Cardenas.

The State Department has followed the negotiations between the companies and the Mexican Government very closely but has not actively participated. At the department it was said there had been a June 4 deadline for a reply from Cardenas on the controversal points in the memorandum. Nearly a week has passed since that deadline.

Officials of W. R. Davis, Inc., in New York, would not discuss the reported new Mexican transactions. From a source close to the company, however, confirmation was had of the intensified activities on the part of Davis and his associates. These concern particularly the purchase, through oil exports, of new refinery equipment. Rapid progress has been made recently, it was said, toward obtaining new equipment for Mexico's oil industry.

One handicap that the Government has been under in operating the oil properties is that in the past comparatively little oil has been refined in Mexico. Oil production has dropped drastically since the Government took over. It is hoped with new refineries to check this trend.

The Mexican Government has accused the oil companies of initiating a world-wide blockade against Mexican oil. This blockade, the Government declared, forced the barter deal with Germany.

No Mention by Lewis.

Efforts have been made to draw many persons other than those directly concerned into the oil controversy. A little less than a year ago John L. Lewis visited Mexico City to participate in Lombardo Toledano's Pan-American Labor Congress. Lewis, in a speech in the bull ring in Mexico City, carefully refrained from mentioning the oil problem, to the disappointment of his Mexican audience.

Senator Joseph P. Guffey (Dem.), Pennsylvania, visited Mexico not long before the controversy arose over expropriation of American-owned farm lands. He talked with Cardenas at that time. He has indirectly interested himself in the oil question, it is believed, as has also Charles Alvin Jones, a Pennsylvania politician who was the unsuccessful Democratic candidate for Governor last year.

What the next move will be no one predicts. The remote possibility that negotiations between the companies and the Government may be reopened is not, of course, precluded. There is the possibility, too, that the State Department may intervene actively in behalf of the companies, as was done for the land owners. The Mexican Government last month turned over a check for $1,000,000 as a first payment on the amount owed to Americans who lost their land through expropriation.

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St Louis Post-Dispatch
St. Louis, Mo.,
June 14, 1939

Re: William Rhodes Martin
- Espionage -
(St. L. 65-117)

GUFFEY AND LEWIS HELPED DAVIS IN MEXICO OIL DEALS

Senator Introduced Pennsylvania Politician, Associate in Barter Plans, to Various Officials.

C I O LEADER GAVE ASSURANCE TO UNIONS

Walter A. Jones, Who Contributed Heavily to Campaign Funds, Wants to 'Help Sell Oil.'

By MARQUIS W. CHILDS
A Staff Correspondent of the Post-Dispatch.

WASHINGTON, June 14.—W. R. Davis, the free lance oil operator who put over barter deals with Germany for oil from expropriated American wells now held by the Mexican Government, had the aid and advice of powerful figures in the Washington scene, including Senator Joseph F. Guffey (Dem.), Pennsylvania, a member of the Senate Foreign Relations Committee, the Post-Dispatch has learned.

John L. Lewis, head of the Congress of Industrial Organizations, also interested himself in the Davis deals to the extent of assuring organized labor in Mexico that Davis had the resources to move Mexican oil in the face of a seemingly worldwide blockade by British and American companies, it has been learned from authoritative sources.

Guffey said yesterday that his only interest in Davis was through Walter A. Jones, oil operator and politician of Pittsburgh, who was a heavy contributor to the Roosevelt campaign fund in both 1932 and 1936. Jones is still associated with Davis in the Mexican oil deals, he said last night.

Introduced Jones in Mexico.

Guffey, himself formerly an oil operator, accompanied Jones on a hurried trip to Mexico City in 1937, nearly a year before expropriation of American and British oil properties. The Pennsylvania Senator introduced Jones, who was then engaged in laying the groundwork for deals that Davis later carried out, to various Mexican officials. Later Guffey, Jones and Davis met in Jones' apartment at the Mayflower Hotel here with Eduardo Suarez, Mexican Minister of Finance, when the latter was on a visit to Washington.

What makes this so extraordinary is the fact that the State Department had given unofficial sanction to the efforts of Donald Richberg, Washington attorney, to negotiate a settlement between American and British oil companies and the Mexican Government for the return of expropriated properties. These negotiations, as was told in the Post-Dispatch Sunday, have come to a standstill, and there is little hope they will be resumed.

State Department officials thoroughly disapprove of Davis, believing that he is operating with German capital. His barter deals will have a harmful effect on American trade, it is thought at the State Department.

"I interested myself at the request of Walter Jones," Guffey said. "I would do anything to help Walter Jones. He contributed largely to the election of Franklin D. Roosevelt. I never really knew Davis, but I believe he is a man of great ability. I have not seen him for a year or more."

Gave $52,000 to Party in 1936.

Records of the Democratic National Committee show that Jones contributed $52,000 to the party in 1936. While records are not available for 1932, he is believed to have given a comparable sum in that year. An ardent New Deal Democrat, he has taken an active part in Pennsylvania politics in recent years. Former Gov. George Earle made him chairman of the Pennsylvania Turnpike Commission, building a super-highway across the State.

"I am still associated with Davis," Jones said on the long-distance telephone from his State office in Harrisburg, "I believe those people down there in Mexico should have a chance to sell their oil."

Those who champion Davis in Washington say that at least he has enabled the Mexican Government to get through the blockade which has been aimed at preventing the Mexicans from selling their oil in the world market. These same champions declare that Davis has concluded deals not only with Germany but with seven other countries in Europe, including even a "behind-the-door" deal with Great Britain, whose Royal Dutch Shell lost an enormous stake when the Mexican properties were taken over.

The State Department is skeptical of reports of such deals, believing that Davis' only important connection is with Germany. Davis is now in Mexico City working out details of new transactions which involve supplying the Mexican industry with refinery equipment to make it possible, the hope is, greatly to increase production.

John Lewis' interest in the Davis deal comes about through his relationship with the Mexican Confederation of Labor and the Mexican Oil Workers' Union, now operating the oil industry in Mexico. It is reported here, however, that Lewis gained his first knowledge of Davis and Jones through Guffey. Last year Lewis attended a Pan American Labor Congress organized by Vincent Lombardo Toledano, head of the Mexican Confederation.

Impressed by Davis' Resources.

He was impressed at that time, it is said, by the efforts of the Mexican Government to operate the oil industry in the face of the blockade by the great companies with their worldwide ramifications. He was impressed, too, it is understood, by the resources which Davis could command for moving blockaded Mexican oil.

Davis and his associates are said to have convinced Lewis that they could muster at least 30 tankers for transporting oil, this being an important factor, since the blockade is said to have extended to the use of oil-carrying vessels.

Doubtful that negotiations with the Mexican Government will ever be resumed, Richberg conferred Monday with Standard Oil executives in New York on the next step to be taken. Returning yesterday, he discussed the present impasse with Secretary of State Hull, it has been learned. For the time being at least, it is believed, Richberg will make no open move, waiting to give the Mexican Government every possible opportunity to reopen the negotiations, although the deadline for a reply has long since passed.

3

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DocId:34637063 Page 68

St. Louis Post-Dispatch
St. Louis, Mo.,
June 16, 1939

Re: William Rhodes Davis
Espionage
(St. L. # 65-117)

CARDENAS IS KEY IN OIL DISPUTE, AID IN U. S. SAYS

Undersecretary of Foreign Affairs Discounts Hope a New President Could Restore Wells.

By MARQUIS W. CHILDS
A Staff Correspondent of the Post-Dispatch.

WASHINGTON, June 16. — Dr. Ramon Beteta, Under-secretary of Foreign Affairs for Mexico, said in an interview at the Mexican Embassy here yesterday that the Mexican people would be extremely reluctant to accept an administration by foreigners of oil wells expropriated from American and British companies.

"The companies do not seem to realize that this is a question of nationalism as well as an economic question," Beteta said. "It cannot be settled solely on an economic basis.

"I have been told they have the hope that a new President in Mexico would be able to restore foreign administration. For several reasons this would be more impossible under a new President. Obviously if any one could take a step in that direction it would be President Cardenas, who carried out the expropriation and could therefore afford to make concessions. A new President would immediately be accused of yielding to pressure."

Deadlocked on Issue.

It is on this issue of administration of the expropriated properties that negotiations being conducted by Donald Richberg, Washington lawyer, between the companies and the Government have come to a standstill. Spokesmen for the companies have repeatedly declared that they would not accept Mexican direction of the properties, no matter what guaranties of payment were offered.

At the same time Beteta expressed hope of an eventual settlement on the basis of the understanding that Richberg and Cardenas ~~worked~~ out in the course of several meetings in Mexico in the spring. This depends, however, on the attitude of the companies, he made clear.

~~Both sides~~ are reluctant to give any public indication that negotiations have broken down for fear that this would imply acceptance of responsibility for a final breakdown.

As has been told in the Post-Dispatch, W. R. Davis, free-lance oil operator who put over original barter deals with Germany, is making rapid headway in providing essential refinery machinery to re-equip Mexico's oil industry.

Sees No Cause for Surprise.

"I do not see why this should occasion surprise to anyone," Beteta said. "This has been in progress for a long time. We shall get a large new refinery out of it. Part of the equipment will come from the United States, equipment which Davis must pay for in cash. That is, it will come from the United States if the companies permit, since they control the sales of these special devices.

"But this is to the advantage of the companies. They will have in Mexico modern refineries instead of the junk they left behind them. We will be able to sell high octane gasoline in the world market which we have never been able to do before."

Beteta said he was here to arrange for the mass repatriation of Mexicans now living in the United States. This will be done at the same time that Spanish refugees are admitted to Mexico. Beteta said he was not here in connection with the oil question and that he had not followed the progress of negotiations.

Ambassador Francesco Castillo Najera talked with President Roosevelt yesterday, on the oil question, it is believed. He did not, however, ~~seek~~ an ~~appointment~~ with Richberg.

4

NW 63226
DocId:34637063 Page 69

St. Louis Post-Dispatch
St. Louis, Missouri,
July 30, 1939.

Re: William Rhodes Davis
Espionage
(St. L #65-117)

Bridges Demands Mexican Oil Inquiry Based on Post-Dispatch Article Which Guffey Calls 'Lie'

MARQUIS W. CHILDS SAYS HE ACCURATELY QUOTED SENATOR GUFFEY'S REMARKS

WASHINGTON, July 29.

FOLLOWING is the statement of Marquis W. Childs, a staff correspondent of the Post-Dispatch, to charges made on the Senate floor by Senator Guffey (Dem.), Pennsylvania:

I have no doubt as to the authenticity of the facts contained in the Post-Dispatch story of June 15 in which I told of the activity of Walter A. Jones and Senator Guffey in connection with the Mexican oil deals. I quoted accurately from the remarks made to me by Senator Guffey at the time I prepared the article.

It will be noted that Senator Guffey made his statement on the floor of the Senate where he is immune from action for libel.

MARQUIS W. CHILDS.

Republican Senator Reads Article on Pennsylvanian's Aid to Barter Deal Operator.

Post-Dispatch Bureau,
201-205 Kellogg Building.

WASHINGTON, July 29. — As a result of news stories printed in the Post-Dispatch some time ago, Senator H. Styles Bridges (Rep.), New Hampshire, demanded today in the Senate an investigation of oil deals with Mexico, out of which, he charged, had come contributions to the Democratic party.

Bridges read into the record an article printed in the Post-Dispatch on June 15, telling how Senator Joseph F. Guffey (Dem.), Pennsylvania, had interested himself in behalf of W. R. Davis, the oil operator who arranged Mexico's barter deals with Germany.

The article told how Guffey had gone to Mexico City with Walter A. Jones, a Pittsburgh oil man and one of the heavy contributors to the Democratic campaigns of '32 and '36, in connection with oil deals in 1937. This was a year before the Mexican Government expropriated properties of American and British companies valued at up to $400,000,000.

Notes From Logan Act.

Because Bridges had prefaced his reading of the Post-Dispatch article with a quotation from the Logan Act, which makes it a criminal offense for a citizen of the United States to undertake to bind the United States in negotiations with a foreign Power, administration Senators rallied to the support of Guffey and a controversy broke out on the floor as to whether the New Hampshire Senator had violated the rule of senatorial courtesy.

Senator Minton (Dem.), Indiana, asked that the chair decide whether Bridges had violated the rule. Senator La Follette, Wisconsin Progressive, who was presiding in the absence of the Vice-President, ruled that senatorial courtesy had not been violated since Bridges had "merely read from newspaper articles."

This brought an immediate protest from Senator McKellar (Dem.), Tennessee, who demanded a vote on whether the Senate should sustain the chair's ruling.

"This is a very vague proposition as yet," Senator Borah said. "No imputations have been made against Senator Guffey. Surely we are not prevented from reading from a newspaper or other publication. It is conceded that the newspaper article does not bring any accusation under the Logan Act."

Guffey Makes Reply.

Guffey himself finally rose to ask the Senate to sustain the ruling of the presiding officer, saying that he wanted "all the facts" brought out. When Bridges had finally finished reading his speech, Guffey rose to declare that the newspaper article was a "malicious, character-destroying lie."

He charged that the Post-Dispatch correspondent who wrote the article, Marquis W. Childs, had received "other compensation than that paid him by the newspaper" for writing the articles Bridges had read. He made a similar charge against Ruth Sheldon, whose article on the Mexican oil situation in this week's Saturday Evening Post quotes at length from the Childs' article.

"I sincerely hope the Senator from New Hampsire did not read these newspaper articles for the same reason that they were written," Guffey said in conclusion, denouncing Bridges for not having made inquiry of him with respect to the "truth" of the newspaper stories before he read them into the Senate record.

Guffey did not deny, however, that he had gone to Mexico City with Walter Jones, to whom he referred as "my friend."

"I gave him all the facts," Guffey said, after relating that the Post-Dispatch correspondent had come to him to ask him about the story. "I told him that I had gone to Mexico City because I had been in the oil business there from 1918 to 1921.

"The story he sent was a 100 per cent false, malicious, character-destroying lie. I have dealt with reporters for 25 years and this is the first time I have had one send such a character-destroying lie."

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Lewis' Name Brought In.

The Post-Dispatch article also said that John L. Lewis, ~~head~~ of the CIO, had interested himself in the Davis transactions, assuring trade union leaders in Mexico that Davis had sufficient capital to carry out the barter deals.

"There is good reason to believe that Jones' campaign contributions to the New Deal have far exceeded the $52,000 mentioned in the articles from which I have quoted," Bridges said. "We all know that there has been considerable question as to where the CIO and Labor's Non-Partisan League get their ample funds for other than straight unionization activities.

"I think we ~~should have~~ an investigation of this amazing phase of the New Deal with two of its main subsidiaries, the CIO and the Labor League.

"We are supposed to be against Germany—for Mexico. They work together against us, and campaign funds from one of the principals of the intrigue flow back to the New Deal. It is a weird story—let's get at the bottom of it."

Bridges' hour-long speech on the Mexican oil situation came as administration leaders sought to bring the Senate to a vote on the lending bill.

Presidential Candidate.

The New Hampshire Republican, who is a candidate for the presidential nomination, also quoted at some length from a Post-Dispatch news story printed on June 10. This told of the breakdown of negotiations between American oil companies, represented by Donald Richberg, Washington attorney, and the Mexican Government, and the report of another Davis barter deal.

Since that time efforts to reach an understanding have been resumed but the two sides are still far apart on the question of who shall direct the management of the oil properties in the event that the Government's right to expropriation is recognized.

Bridges said at the close of his speech that he would later introduce a resolution calling for an investigation of the whole Mexican oil situation.

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St. Louis Post-Dispatch,
St. Louis, Missouri,
August 5, 1939

Re: William Rhodes Davis
Espionage
(St. L. #65-117)

SENATOR GUFFEY SUED BY MARQUIS W. CHILDS

Post-Dispatch Correspondent Seeks $50,000 for Attack On His Integrity.

Post-Dispatch Bureau,
201-205 Kellogg Building.

WASHINGTON, Aug. 5.—Marquis W. Childs, a member of the Washington staff of the Post-Dispatch, today brought suit in United States District Court here for $50,000 against Senator Joseph F. Guffey (Dem.), Pennsylvania, charging Guffey had injured his professional reputation by statements that Childs had been paid by someone other than his employer for writing news stories on the Mexican oil situation.

Guffey objected to a news story connecting his name with that of W. R. Davis, oil operator, who put over the barter deals between Germany and Mexico, and charged on the floor of the Senate a week ago that Childs had received outside compensation.

On the floor of the Senate, of course, Guffey enjoys constitutional immunity and cannot be sued for his remarks.

In the suit filed today the Post-Dispatch correspondent alleged Guffey had made the same remarks to several persons when not on the floor.

The suit alleges that Guffey made substantially the same statement off the floor, to newspaper reporters, that he made on the floor. Guffey is said to have made the statement before he spoke on the floor and then again following his reply to charges raised in the Senate.

Other Compensation Forbidden.

In the suit it is pointed out that all Washington correspondents who have the privileges of Senate and House press galleries are strictly forbidden to accept any compensation from other than known newspaper or publishing sources. To violate this rule, the petition points out, is to be barred from the press galleries.

The suit was filed by William E. Leahy, Washington lawyer, associated with J. Porter Henry of St. Louis.

The news story that aroused Guffey's anger was printed in the Post-Dispatch on June 15 and subsequently widely reprinted in Pennsylvania newspapers. It told how Guffey had gone to Mexico City two years ago with Walter A. Jones, an oil man who had associated himself with Davis. Later Guffey conferred with Jones and Mexican officials here in Washington.

Led to Demand for Inquiry.

The story was made the basis of a speech by Senator H. Styles Bridges (Rep.), New Hampshire, in which he demanded an investigation of Mexican expropriation of American oil properties and the part played by various Americans in subsequent deals over Mexican oil.

The Childs story also said that John L. Lewis, head of the CIO, had interested himself in the Mexican oil situation to the extent of assuring Mexican labor leaders that Davis had the facilities for selling and transporting oil.

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St. Louis Post-Dispatch
St. Louis, Missouri,
August 7, 1939

Re: William Rhodes Davis,
Espionage
(St. L. #65-117)

Managing Editor- B. H. Reese
City Editor - Ray Crowley

SENATOR-SLANDERER GUFFEY.

Senator Joseph P. Guffey of Pennsylvania, speaking from the floor of the Senate a week ago, scurrilously attacked Marquis W. Childs, a member of the Washington staff of the Post-Dispatch. Within the shelter of his constitutional immunity, the Senator could not be held legally accountable. His helpless victim was without legal redress. But the victim has appealed to the law. Childs has brought suit for damages, alleging that Guffey has made similar charges off the floor of the Senate. The issue, therefore moves out from the unfair confines of official privilege, into the fair field of equality before the law. On with the trial. Everybody who knows Mark Childs knows that he will be exonerated, and knows, too, that Senator Guffey will be exposed as Slanderer Guffey.

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT NEW YORK CITY NY FILE NO. 65-128 AOBS-SKL

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEW YORK CITY	9/29/39	9/25-28/39.	WALTER J. HIGGINS

TITLE	CHARACTER OF CASE
WILLIAM RHODES DAVIS	ESPIONAGE

SYNOPSIS OF FACTS: [redacted]

Analysis of deposits to account of Walter A. Jones with Guaranty Trust Company of New York City from 6/5/36 to 9/7/39 inclusive set forth herein. Additional financial and credit background of Davis and affiliated concerns obtained. Davis reported by Sinclair Oil Company to be very close to Nazi Government as he arranged for them to ship goods into Germany on 100% compensation basis from April to June of 1935, whereas usual procedure was that concern has to ship 50% goods and 50% cash in exchange for 100% German merchandise. Dun and Bradstreet file on Plymouth Oil Company reflected that Walter A. Jones is a member of the Board of Directors of this concern.

P.

APPROPRIATE AGENCIES AND FIELD OFFICES ADVISED BY ROUTING SLIP(S) OF Dec 1955 DATE 5-1-78 BPW

REFERENCE: Teletype to Bureau dated 9/25/39.
Letter to Bureau dated at New York, N.Y. 9/29/39.

U.S. DEPT OF JUSTICE
FBI
RECEIVED-HARBO
OCT 2 10 39 AM '39

DECLASSIFIED BY 3909 DAS/dff
ON 4-10-78

APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
P.E. Foxworth		65-1168-42	OCT 2-1939

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JAG:ECP
SKL
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The following investigation was conducted by Special Agents E. C. Parkhurst and Joseph A. Genau:

Attached to the original copy of this report is a photostatic copy of a transcript of the account of WALTER A. JONES with the Guaranty Trust Company of New York, 140 Broadway, New York City, from June 5, 1936, to September 22, 1939, inclusive.

The following list reflects an analysis of the deposits of WALTER A. JONES with the Guaranty Trust Company of New York, 140 Broadway, New York City, from June 5, 1936, to September 7, 1939, inclusive:

Date	Explanation	Amount
1936		
June 5	Check 5/27/36 by W.R.Davis on Barclays Bank, Ltd. Collection No. 41644 £ 5000.0.0 Value date 6/6	$25,040.00
July 21	Check 7/13/36 by W. R. Davis on Barclays Bank Ltd. Collection No. 48103 £ 5000.0.0 Value date 7/22	25,121.25
Aug. 25	Check 8/25/36 by W.R.Davis on Barclays Bank Ltd. Credit Ticket No. 43507 £ 5000.0.0 Value date 8/26 Rate of exchange 502 7/8	25,143.75
Sept. 11	Check of Davis & Co. on Bank #74 (Chase Nat'l Bank)	2,083.33
Oct. 19	Credit Ticket No. 31646 for purchase of £ 5000.0.0 received from London office by cable. Rate of exchange 488½. Value date 10/19. Cable advice shows for W.R.Davis	24,425.00
Oct. 29	Credit Ticket No. 29396 HB. Instructions received from First Nat'l Bank, Boston, Mass. Order Davis & Co. Inc. Tel. today	12,000.00
Oct. 31	Credit Advice (no number) From Davis & Co. Inc., 30 Rockefeller Plaza, NYC. Deposit Ticket 5-39 (First Nat'l Bank, Boston) Davis & Co. Inc.	13,000.00
Nov. 6	Deposit Ticket - Boston. Wire payment. Advise Davis & Co. 07-2843 Miss Osborne	50,000.00

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Date	Explanation	Amount
1937		
Jan. 7	Deposit Ticket 5-39 (First Nat'l Bk, Boston)	$5,000.00
Feb. 15	Letter 2/12/37 from Walter A. Jones, E. Check of Davis & Co. CH 15602	2,053.33
Feb. 26	Credit Advice (no number) Letter 2/26/37 Check #C-417 from Davis & Co. Inc., 30 Rockefeller Plaza, NYC. Deposit Ticket 2/26/37 1-74 (Chase Nat'l Bank)	1,000.00
March 4	Credit Advice (no number) Letter 3/4/37 Check #F2517 From Davis & Co. Inc., NYC. Morris Geye-Davis & Co. 5-39	1,388.84
March 15	Credit Advice (no number) Letter 3/15/37 Morris Geye. From Davis & Co.,NYC. 5-39 (First Nat'l Bank, Boston)	42,000.00
Apr. 12	Letter 4/10/37 from Walter A. Jones, The Mayflower, Wash.,DC. Checks-Chase Nat'l Bank $2,083.33 C.H. 12601 First Nat'l Bank of Boston- 1,005.75	3,089.08
Apr. 13	Letter 4/12/37 from Walter A. Jones, The Mayflower, Wash.,DC. Check Charleston Nat'l Bank of Charleston, W.Va. against theiraccount Chase Nat'l Bank.	1,000.00
Apr. 27	Deposit Ticket - Check Davis & Co. Inc. 5-39 (First Nat'l Bank,Boston) Letter 4/27/37 W.W. Van Allen, Davis & Co.Inc. enclosing check #F-2690 to Walter A. Jones	5,000.00
May 6	Letter 5/5/37 from Walter A. Jones, The Mayflower, Wash.,DC. Check issued by Davis & Co. Inc. on First Nat'l Bank of Boston	1,202.89
May 26	Letter 5/25/37 from Walter A. Jones, The Mayflower, Wash.,DC. Check Davis & Co. Inc. on Chase Nat'l Bk.	1,041.67
June 1	Letter 5/29/37 from Walter A. Jones, The Mayflower, Wash.,DC. Check Davis & Co. Inc. on Chase Nat'l Bk.	1,041.67
June 4	Letter 6/3/37 from Walter A. Jones, E.,Pittsburgh,Pa. Check 15-81 (Munsey Trust Co.,Wash., DC)	1,500.00

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Date	Explanation	Amount
June 8	Letter 6/7/37 from Walter A. Jones, The Mayflower, Wash.,DC. Check - Davis & Co. Inc.-First Nat'l Bk, Boston	$2,168.59
June 19	Letter 6/18/37 from Walter A. Jones, The Mayflower, Wash.,DC. Check - Davis & Co. Inc. on Chase Nat'l Bk.	1,041.67
July 1	Letter 6/30/37 from Walter A. Jones, Pittsburgh, Pa. Check - Col. Pitts (Colonial Trust Co. Pittsburgh)	3,550.00
July 2	Letter 7/1/37 Walter A. Jones, Pittsburgh, Pa. Check #12653 Chaplin & Co. 8-99 (Colonial Trust Co.)	642.60
July 6	Letter 7/3/37 Walter A. Jones, The Mayflower, Wash., DC. Check Davis & Co. Inc. - Chase Nat'l Bank.	1,041.67
July 20	Deposit Ticket Davis & Co. 74 (Chase Nat'l Bk) $1,041.67 Davis & Co. 5-39 (First Nat'l, Boston) 808.63	1,850.30
Aug. 2	Deposit Ticket Davis & Co. 74 (Chase Nat'l Bk) $1,041.67 Davis & Co. 5-39 (First Nat'l, Boston) 336.51	1,378.18
Aug. 3	Deposit Ticket The Union Nat'l Bank, Pittsburgh, Pa. Letter 8/2/37 - Walter A. Jones, Pittsburgh, Pa. Check -	785.27
Aug. 6	Deposit Ticket dated Aug. 5, 1937 W. A. Richards 69-61 (Flat Top Nat'l Bank, Bluefield, W. Va.)	500.00
Aug. 9	Deposit Ticket - dated Aug. 7, 1937. Davis & Co. Inc. 5-39 (First Nat'l Bk, Boston)	1,356.43
Aug. 17	Deposit Ticket dated 8/16/37. Davis & Co. Inc. 74 (Chase Nat'l Bank)	1,041.67
Sept. 1	Deposit Ticket dated 8/31/37. Democratic Nat'l Campaign Committee 30 (Manufacturers Trust Co.,NYC)	25,000.00

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Date	Explanation		Amount
Sept. 2	Letter 9/1/37 K. Ross Jordan, Sec'y to Walter A. Jones, The Mayflower, Wash.,DC.		
	Check - Davis & Co. Inc.-Chase Nat'l Bank #P-763		$1,041.67
Sept. 9	Deposit Ticket dated 9/8/37.		
	Davis & Co. Inc. 5-39 (First Nat'l Bank, Boston)		726.25
Sept. 16	Letter 9/15/37 W.W.VanAllen, Davis & Co. Inc.,		
	Check P-794 to Walter A. Jones 74 (Chase Nat'l Bank)		1,041.67
Sept. 16	Letter 9/15/37 Walter A. Jones, The Mayflower, Wash., DC. Travelers checks -		
	B 7164283	$20.00	
	B 7164284	20.00	
	P 6858548	50.00	
	P 6858549	50.00	
	P 6858550	50.00	190.00
Sept. 16	Credit Advice - Foreign Dept. Trav L/C 628-11 Unused balance on Travelers Letter of Credit No. G 24330 issued your favor 8/3/37		1,000.00
Oct. 1	Deposit Ticket dated 9/30/37		
	The Colonial Trust Co., Pittsburgh, Pa.		3,550.00
	Letter 9/30/37 Walter A. Jones - Pittsburgh, Pa. Check from Republic Pipe Line Co.		
Oct. 2	Deposit Ticket dated 10/1/37		
	Davis & Co. Inc. 74 (Chase Nat'l Bank)		1,041.67
Oct. 6	Deposit Ticket - dated 10/5/37		
	Davis & Co. Inc. 5-39 (First Nat'l Bank, Boston)		350.00
Oct. 7	Deposit Ticket dated 10/6/37		
	Davis & Co. Inc. 5-39 (First Nat'l Bank, Boston)		1,197.32
Oct. 18	Deposit Ticket dated 10/18/37		
	Davis & Co. Inc. 74 (Chase Nat'l Bank)		1,041.67
Oct. 20	Deposit Ticket dated 10/19/37		
	Charleston Nat'l Bank, Charleston, W.Va. (Plymouth Oil Co.)		344.80

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Date	Explanation	Amount
Nov. 1	Deposit Ticket dated 10/30/37 Davis & Co. Inc. 74 (Chase Nat'l Bank)	$1,041.67
Nov. 6	Deposit Ticket dated 11/5/37 Davis & Co. Inc. 5-39 (First Nat'l Bank, Boston)	1,550.20
Nov. 17	Deposit Ticket dated 11/16/37 Davis & Co. Inc. 74 (Chase Nat'l Bank)	1,041.67
Nov. 29	Letter 11/29/37 Morris Geye, Davis & Co. Inc. Check F-3384 to Walter A. Jones 5-39 (First Nat'l Bank, Boston) Check voucher attached.	300.00
Dec. 2	Deposit Ticket dated 12/1/37 Davis & Co. Inc. 74 (Chase Nat'l Bank)	1,041.67
Dec. 4	Letter 12/3/37 Walter A. Jones - The Mayflower, Wash.,DC. Check by Democratic Nat'l Campaign Committee on Bank of Manhattan Trust Co. #2282	1,611.04
Dec. 6	Deposit Ticket dated 12/4/37 Davis & Co. Inc. 5-39 (First Nat'l Bank, Boston)	956.98
Dec. 16	Deposit Ticket dated 12/15/37 Charleston Nat'l Bank, Charleston, W.Va. Letter 12/15/37 Walter A. Jones, Pittsburgh, Pa.	3,550.00
Dec. 17	Deposit Ticket dated 12/16/37 Davis & Co. Inc. 74 (Chase Nat'l Bank)	1,041.67
Dec. 24	Deposit Ticket dated 12/22/37 The Union Nat'l Bank, Pittsburgh, Pa. Letter 12/22/37	982.80
Dec. 27	Deposit Ticket dated 12/24/37 Chemical Bank & Trust Co., Pittsburgh, Pa. Chaplin & Co. Letter 12/24/37 - Walter A. Jones, Pittsburgh, Pa. Check #1087	2,400.00
Dec. 29	Deposit Ticket dated 12/28/37 Charleston Nat'l Bank, Charleston, W.Va. Letter 12/28/37, Walter A. Jones	3,550.00

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Date	Explanation	Amount
1938		
Jan. 3	Davis & Co. Inc. (#74 - Chase Nat'l Bank, NYC)	$1,041.67
Jan. 6	Check on The Union Nat'l Bank, Pittsburgh, Pa. Check to order of Emma B. Jones endorsed by her. Endorsed for credit W.A.Jones. Reference Mr. Hatcher. (Parrish & Co.) (8-12 Union Nat'l Bank, Pittsburgh)	5,402.14
Jan. 13	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)	1,440.66
Jan. 17	Davis & Co. Inc. (74 Chase Nat'l Bank, NYC)	1,031.25
Jan. 22	Democratic Nat'l Campaign Committee (2 Bank of the Manhattan Co., NYC)	15,000.00
Feb. 2	Davis & Co. Inc. (74 Chase Nat'l Bank, NYC)	1,031.26
Feb. 11	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)	1,413.66
Feb. 17	Davis & Co. Inc. (74 Chase Nat'l Bank, NYC)	1,032.50
Feb. 26	Peoples-Pittsburgh Trust Co., Pittsburgh, Pa. (Parrish & Co.)	978.77
Feb. 28	Peoples-Pittsburgh Trust Co., Pittsburgh, Pa.	1,028.76
March 2	Davis & Co. Inc. (74 Chase Nat'l Bank, NYC)	1,041.67
March 9	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)	907.72
March 12	Democratic Nat'l Committee $10,000.00 (#2 Bank of the Manhattan Co.,NYC) Como Mines Co. (94-2 First Nat'l Bank, Reno, Nevada) 1,000.00	11,000.00
March 17	Davis & Co. Inc. (74 Chase Nat'l Bank, NYC)	1,041.67
March 29	Cash	5,000.00
Apr. 1	Charleston Nat'l Bank, Charleston, W.Va. (check of Republic Pipe Line)	3,550.00
Apr. 1	Davis & Co. Inc. (74 Chase Nat'l Bank, NYC)	1,041.67
Apr. 2	Colonial Trust Co., Pittsburgh, Pa.	292.60

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Date	Explanation	Amount
Apr. 12	Chemical Bank & Trust Co., NYC 1-.12 (Chaplin & Co.)	$1,190.72
Apr. 16	The Colonial Trust Co., Pittsburgh, Pa.	512.40
Apr. 18	Davis & Co. Inc. (74 Chase Nat'l Bank, NYC)	1,041.67
Apr. 19	Colonial Trust Co., Pittsburgh, Pa. (8-99)	537.40
Apr. 23	The Colonial Trust Co., Pittsburgh, Pa. $562.40	
Apr. 23	" " " " " " 585.40	1,147.80
Apr. 25	" " " " " "	1,463.50
May 3	" " " " " "	500.00
Aug. 22	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)	2,517.09
Sept. 10	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)	2,564.11
Sept. 23	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)	858.80
Oct. 15	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)	2,500.00
Nov. 3	Pennsylvania Turnpike Commission (3-50 Fidelity-Philadelphia Trust Co.,Phila.,Pa.)	7,000.00
Dec. 2	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)	804.51
Dec. 28	The Charleston Nat'l Bank, Charleston, W. Va. (Republic Pipe Line check.)	3,550.00
1939		
Jan. 6	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)	598.05
Feb. 14	Davis & Co. Inc. (74 Chase Nat'l Bank, NYC)	1,162.02
March 2	The Union Nat'l Bank, Pittsburgh, Pa. (Parrish & Co.)	808.40
March 14	The Union Nat'l Bank, Pittsburgh, Pa. (Parrish & Co.)	833.40
March 31	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)	563.75

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Date	Explanation		Amount
May 16	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)		$559.38
May 22	Colonial Trust Co., Pittsburgh, Pa.	$10,000.00	
May 22	Pennsylvania Turnpike Commission (3-50 Fidelity-Philadelphia Trust Co., Phila., Pa.)	416.66	10,416.66
June 5	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)		655.41
June 13	Pennsylvania Turnpike Commission (3-50 Fidelity-Philadelphia Tust Co.,Phila.Pa.)		416.66
June 28	First Nat'l Bank, Boston, Mass.		10,000.00
July 10	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)		546.05
July 24	Davis & Co. Inc. (5-39 First Nat'l Bnk, Boston)		575.47
Aug. 21	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)		660.65
Sept. 7	Davis & Co. Inc. (5-39 First Nat'l Bank, Boston)		2,500.00

- - -

It will be noted that the makers of the checks of several of the deposits havenot been identified. In order to make this identification the particular checks would have to be traced from New York City to their destination by means of cash letters. Most of the deposits as shown above were identified from notations made on deposit tickets of WALTER A. JONES with the Guaranty Trust Company of New York.

The above analysis was made by Agents Parkhurst and Genau on September 25, 1939.

The account of WALTER A. JONES reflects several large withdrawals during the above-mentioned period which withdrawals agents were unable to determine to whom they were payable for the reason that no Recordak film is made by the Guaranty Trust Company. Mr. DAVID B.

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CULLEN in charge of the Bookkeeping Department, advised Agents Parkhurst and Genau that the main office of the Guaranty Trust Company does not make Recordak films of checks charged against customers' accounts. The transcript of the account of WALTER A. JONES furnished to Agents Parkhurst and Genau is in instant case file in the New York Field Office.

Under date of September 25, 1939, the New York Office furnished the Bureau by teletype with information as to the amounts of monies received by WALTER A. JONES and credited to his account with the Guaranty Trust Company from London and from Davis & Company, Inc. and the Democratic National Campaign Committee. These amounts were shown in the aggregate in the teletype and are listed individually in this report in the listing of deposits reflected hereinbefore with the exception of the unidentified funds on London, England, in the amount of $24,000. Since sending this teletype it has been determined that these monies, $24,425.00 received from London by cable were from WILLIAM RHODES DAVIS.

On September 26, 1939, B. J. HIRSCHFELD, Deputy Commissioner of Banks, State of New York, add in charge of liquidation of the Bank of the United States, advised Special Agents Parkhurst and Genau thet the Bank of United States' files reflect no record of WILLIAM RHODES DAVIS & COMPANY, INC., 30 Rockefeller Plaza, New York City, or of WILLIAM RHODES DAVIS., nor did WILLIAM RHODES DAVIS or DAVIS & COMPANY, INC. have an account with this bank, nor did DAVIS or DAVIS & COMPANY, INC. have any loans with this institution. However, Mr. HIRSCHFELD did state that the Bank of United States had a file entitled DAVIS & COMPANY, a meat packing concern with NATHAN DAVIS as its head which had no relation to DAVIS & COMPANY, INC. of 30 Rockefeller Plaza, New York City. The Bank of United States closed on December 11, 1930. The Bank of United States in Liquidation obtained from Proudfoot's Commercial Agency, Inc. a report on DAVIS & COMPANY, on or about February 18, 1939, the meat concern. Mr. HIRSCHFELD stated that this inquiry from Proudfoot's was made at the request of the Great Atlantic & Pacific Tea Company of New York City.

On September 26, 1939, R. G. FORBES, Treasurer, New York Trust Company, 100 Broadway, New York City, advised Special Agents E. C. Parkhurst and Joseph A. Genau that neither WILLIAM RHODES DAVIS nor DAVIS & COMPANY, INC., 30 Rockefeller Plaza, New York City, carried an account with his bank, nor did his bank grant any loans to the aforementioned; that the New York Trust Company obtained a credit report from Proudfoot's Commercial Agency, Inc. of New York after an inquiry

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had been made by S. HOLTER-SORENSEN, ship owner of Oslo, Norway, requesting all possible information regarding DAVIS & COMPANY's financial standing. Mr. FORBES submitted to Agents Parkhurst and Genau a copy of a letter from S. HOLTER-SORENSEN dated April 7, 1938, addressed to the New York Trust Company, 100 Broadway, New York City, which is as follows:

"S. HOLTER-SORENSEN
Shipowner

Oslo 7. april 1938
Tollbodgt,11

C/H

Messrs. The New York Trust Company,
100 Broadway,
New York.

Dear Sirs,

I beg to confirm my telegram dated 4th inst., reading as follows:

"Syxtynine negotiating long time charter account Davis Coy Inc. New York which also involve a credit of one million dollars please apply executive vice present Mr L Gray of First National Bank Boston for all possible information regarding Davies Coy financial standing and if they are substantial enough to undertake and fulfill above named transaction please telegraph fully",

and I am very much obliged for your prompt reply reading as follows:

"William Davis principal Davis and Company Oil Promotor past operations not entirely successful being reported having lost and made considerable amounts opinions his standing vary but moral responsibility considered good by those closest to his affairs net worth reported substantial but largely composed oil investments of undeterminable value bank reference your cable believes company should be responsible for long term charter with total payments aggregating amount mentioned".

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The transaction concerned in above connection is a large tanker to be built with the Vulcan Company, Bremen, for delivery in 1940, and there is a charter party attached to this contract for 10 years. Messrs. William Davis & Co. are interested in the transaction, and they are going to guarantee to an extent of one million dollars, and I understand that they will deliver all the oil. They are supposed to guarantee us repayment of instalments paid to the German for this ship, should the German builders owing to the cause of war or otherwise not be able to deliver the ship when finished. There is also being proposed that Messrs. Davis & Co. should countersign the fulfillment of the charter party in question.

The negotiations for the purchase of the ship etc. are in full progress, and I should be very much obliged if you on receipt of this would be able to substantiate further the standing of Messrs. Davis & Company, if the firm is in reality able to fulfill the above-mentioned guarantees.

Awaiting the favour of your news, I thank you in anticipation and remain,

Yours faithfully

(signed) S. Holter-Sorensen "

- - -

In addition thereto Mr. FORBES also furnished agents with a copy of a memorandum by the Credit Department of the New York Trust Company relative to DAVIS & COMPANY which reads as follows:

"DAVIS & COMPANY BOSTON, MASS.

1936
July 24th:- Sinclair Consolidated Oil Corporation, Mr. Walby:- While we have never had any direct financial interest in Mr. W.R. Davis' promotions, we have been selling him substantial amounts of oil through the Foreign Oil Company, Inc., which is the United States purchasing organization. Inasmuch as all transactions are through established letters of credit at the First National Bank of Boston, we do not check very closely into the company's financial responsibility. At the present time our sales to him are in cargo lots amounting to approximately $150,000 apiece at rather frequent intervals, and it is my impression that most

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of this oil, if not all of it, goes into Hamburg, Germany. As I understand it, you are anxious to get some of the background surrounding his present operations. From our file it appears that Mr. Davis, who, by the way, is a Harvard graduate, established in 1931 through blocked Reichmarks obtained from the First National Bank of Boston, a company in Berlin, which he called the Europaische Tanklager and Transport A/G. This concern was organized as a tank plant for the importing of kerosend and gasoline which was distributed throughout the Scandinavian countries and Germany. In order to effect German distribution, Davis participated with a company known as Hardy & Company in obtaining the Naphta Industrie and Tankanlager A/G of Berlin, which had a distribution quota. According to an article in the Financial Times of January 11, 1936, the amount borrowed from the First National Bank of Boston by Mr. Davis for the organization of the Europaisches Company was Reichmarks 500,000. Before this venture had been in operation very long, Mr. Davis decided to extend the company's operations by building a refinery with 350 tons production capacity in the free city of Hamburg, Germany. When the refinery was completed, the company disposed of the Naphta Industrie and Tankanlager A/G to Wintershall A/G. However, the distribution facilities of this company are still used. While we do not have any up to date financial information, our file indicates that the enterprise has already been through rather a varied career. As of the year end 1934 the total liabilities of the Europaisches organization are said to have considerably exceeded the capital of Rms. 5,225,000. The profit and loss statement for 1934 showed gross profits to have decreased from Rms. 790,000 in 1933 to Rms. 290,000. An item appears for the first time in that statement of Rms. 330,000 for interest, commissions and banking expenses and the net loss for the period was Rms. 1,330,000 in comparison with a loss of Rms. 11,000 for the previous year. I have no idea what the financial position is today but the First National Bank of Boston is still granting them letters of credit in very substantial amounts and so should be able to give you that information.

Apparently Mr. Davis is very close to the present Nazi Government because, and this is very confidential, he fixed it up in April 1935 so that we could ship goods into Germany on a 100% compensation basis. In other words, whereas the usual procedure is that a company must ship 50% goods and 50% cash into Germany in exchange for 100% merchandise, we were allowed to make a 100% exchange, with no cash involved. However, this did not last long, for in June 1935 we were again put back on a 50% arrangement. Please keep this bit of information confidential; I am only telling you about it so you can see that Mr. Davis must be quite close to the German authorities. The reason why he is so intimate with the authorities is probably connected with the fact that he was the

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first foreigner to build a large refinery in Germany and the Germans are particularly trying to encourage such ventures on German soil. I notice from a clipping in the financial Times dated January 11, 1936, that on the 28th of November 1935, a provate company, the Crusader Petroleum Industries was registered in Great Britain to acquire the Duropaisches concern. The directors of this English company are W.R. Davis, Gerritt John Vanderlyn (petroleum engineer of Hamburg), Henry Warren Wilson (New York banker) and Carl Frand Von Clemm (a Berlin banker). The clipping goes on to say that in this way a British company possesses one of the largest refineries in Europe with a 10,000 barrel daily capacity and proportionate storage facilities and if imports from America to Italy were stopped, shipments could be made to Hamburg from which point they could be directed through Germany to the Italian frontier.

Mr. Davis also appears to have been in Rome in the capacity of President of the Foreign Oil Company, Inc. in connection with a proposed erection of a refinery and storage plant in that city to facilitate the production of petroleum from Italian shale. However, there has been no progress in this direction to date because of the lack of Italian funds.

I also see that we checked Mr. Davis superficially in 1934 and at that time found him close to a Mr. Arthur L. Hobson of Herrick, Smith, Donald & Farley of 1 Federal Street, Boston, and to Quincy A. Shaw McKean, who is said to be from one of the best New England families and to be financially interested in the Davis projects. At that time Mr. Davis owned several leases in Mexico on land which is supposed to have oil. While I do not know whether there have been any developments in that section, it was my understanding that he intended to let others drill for the oil and to accept a royalty of 8% of any oil produced. However, at the present time I should say that Mr. Davis was almost entirely wrapped up in building up his German interests with the idea in mind of selling out to a larger oil company at a propitious minute.

1937
July 22nd: SINCLAIR CONSOLIDATED OIL CORPORATION, Mr. Walby: While we are continuing our relations with Mr. Davis and his various enterprises, we have had only a few transactions with him recently. However, confidentially he has a company in Mexico now called Cia. Mexicano Tuzapan S.A. and we are doing some dirlling for oil on the property at this time. We are optimistic about the proposition but, of course, one never can tell what will be found after the shaft has been sunk. As I understand it Mr. Davis is one of the principal stock-

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holders in that venture since he turned over some leases to the company in return for stock. If we strike oil it will benefit him tremendously, if we don't he will have nothing. As to his German interests, the oil refinery should be able to operate profitably as there have been no price wars in that section and the price structure is protected by a cartel. At this time he is trying to expand. Other than this additional information which I have given you the story as I told it to you in July 1936 still stands. If you promise not to mention our name you might call upon Mr. H.A. Stendrup, who was formerly an officer of the Sinclair Consolidated Oil Corp. and now is in business for himself. He, as I understand it, knows Mr. Davis quite well and perhaps will be able to furnish you with up to date information.

MR. STENDRUP, 630 Fifth Avenue, 31st Floor: While I have been away for the past three and one-half months and have not during that time had any information regarding Mr. Davis, I can say that he is a reliable individual of great ability. I should say that his present operations are well grounded, as a whole and that he is in a position at this time to clean up a fortune. I should say that his greatest asset in relation to the picture as it exists today is his ability to pool foreign credits. With his contacts in various countries and his large oil refinery in Hamburg, Germany, he has done some miraculous things with German Marks that to most people are still a mystery. For instance, he has a company in England which builds ships that are paid for by German Marks costing him 18 to 20 cents a piece which he uses on a 40% basis. In addition he has obtained many lucrative German Government contracts, one of which is said to be extremely valuable at this time. He buys crude oil in the open market and ships it into Germany to be refined by his organization there. I worked for Davis for over 12 years and have the greatest respect for him and his ability. I say this without prejudice since I have no interest in any of his companies at this time and merely have an admiration for the way he has worked himself out of difficulties from time to time and for his seemingly impossible hocus-pocus with foreign exchange. He is practically bailing the First National Bank of Boston out of Germany and that institution appears to be quite satisfied with the picture at this time. I suppose that any one of his present projects could be criticized quite freely but I think that the picture as a whole seems to present unusual possibilities and should be tremendously successful under present day conditions.

Note: In connection with this inquiry which was made by Mr. Mann through our Mr. Brewster, Mr. Hunter talked to Mr. Gray of the 1st National Bank of Boston and a memorandum containing the information obtained in that quarter may be found in the file.

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WALTER F. KEARNS, Cashier, First National Bank, 2 Wall Street, New York City, advised agents that his bank obtained copies of credit reports from the Proudfoot Commercial Agency and Bishop's Service of New York upon a request from the First National Bank of Salem, Ohio, requesting the financial standing of DAVIS & COMPANY, INC. of New York. Mr. KEARNS telephonically advised Special Agent Genau on September 27, 1939, that O. A. NARAGON, Assistant Cashier of the First National Bank of Salem, Ohio, made the above request by letter dated April 13, 1939, and that the First National Bank of New York replied to this letter under date of April 15, 1939; that neither WILLIAM RHODES DAVIS nor DAVIS & COMPANY, INC. had any financial transactions with the First National Bank of New York.

J. T. VAN der HEIDE, Assistant Director, Department of Stock List, New York Stock Exchange, 24 BroadStreet, New York City, advised Special Agents E. C. Parkhurst and Joseph A. Genau that an application for a listing was filed by the Panhandle Producing and Refining Company through its president, ROY B. JONES. Mr. VAN der HEIDE declared that this application concerned the listing of an additional 253,450 shares of common stock, which application was approved by the Committee on Stock List on September 20, 1938, and rescinded at a Special Meeting held October 20, 1938. Further consideration was given to the application by the Committee and after supplemental and amendatory applications were filed authorization was granted December 30, 1938, in accordance with the terms of the original application of September 6, 1938, and restrictions imposed by the Committee on Stock List.

Mr. VAN der HEIDE declared that the principal restrictions, which were incorporated in the Supplemental and Amendatory Applications, were that all of the stock to be issued would be pledged with the First National Bank of Boston to secure an indebtedness of DAVIS & COMPANY, INC. to said bank; that all such stock when issued would be in the name of SKELTON & COMPANY as the bank's nominee; that DAVIS & COMPANY, INC. and the First National Bank of Boston have agreed that after such stock ceases to be held by the First National Bank of Boston as collateral, they will not further vote the same unless and until transfer; that any transfers shall be subject to such restrictions as to voting as the New York Stock Exchange may deem it advisable and desirable.

Mr. VAN der HEIDE furnished Agents Parkhurst and Genau with a printed copy of the original application dated at Wichita Falls, Texas, September 6, 1938, which sets forth certain information concerning outstanding stock, the amount of additional

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stock applied for, and the date of authorization by the Board of Directors; the authority for and purpose of issue; the registration with the Securities&Exchange Commission; history and business of the company; financial statements and agreements. Mr. VAN der HEIDE likewise furnished agents with printed copies of Supplemental decisions of the Committee on Stock List, rescinding its action of September 20, 1938, authorizing the issuance of the shares applied for; a printed copy of a Supplemental and Amendatory Application dated December 21, 1938, with the direction of the Committee on Stock List authorizing the issuance, dated December 30, 1938; a printed copy of Supplemental Application dated February 27, 1939, with the direction of the Committee dated February 28, 1939, and the Final Supplemental Application dated June 19, 1939, with the authorization of the Committee dated June 20, 1939. A photostatic copy of each of said instruments is attached to the original copy of this report for the information of the Bureau. Theoriginal printed copies are being retained in the New York Field Office file.

The following information was omitted from the report of Special Agent W. J. Higgins, New York City, dated September 26, 1939, and should have been shown on page 18 immediately following the last sentence in the paragraph shown on said page wherein mention is made of the litigation reported by the Boston Correspondent of the Credit Bureau of Greater New York:

> Davis sued by Best & Company for Mdse. $516.20 (Docket 224087).

- - -

In accordance with instructions of Special Agent in Charge P. E. Foxworth, Special Agent R. H. Groff proceeded to 30 Rockefeller Plaza, New York City. It was ascertained by inspection of the Building Directory that there is no one named WALTER A. JONES, W. R. JONES or any similar initials listed on the Directory. The door of Room 5405 bears the name "DAVIS & COMPANY, INC." and does not show the names of any individuals.

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Special Agent J. M. McGrath ascertained at the offices of Dun & Bradstreet, New York City, that WALTER A. JONES is a Director of the PLYMOUTH OIL COMPANY. Agent McGrath obtained a copy of Dun & Bradstreet's file on this concern and photostatic copies of the same have been made and forwarded to the Bureau by letter dated September 29, 1939.

ENCLOSURES TO BUREAU (2)

1. Photostatic copy of transcript of the account of WALTER A. JONES with the GUARANTY TRUST COMPANY OF NEW YORK, from 6/5/36 to 9/7/39.

2. Photostatic copy of information concerning the PANHANDLE PRODUCING & REFINING COMPANY obtained from the New York Stock Exchange.

PENDING

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DocId:34637063 Page 91

Federal Bureau of Investigation
United States Department of Justice

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

GAN:JSMc
65-128

New York, N. Y.
September 23, 1939

~~PERSONAL AND CONFIDENTIAL~~

Director
Federal Bureau of Investigation
Washington, D. C.

Re: WILLIAM RHODES DAVIS
Espionage

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADDITIONAL ROUTING
SLIP(S) OF Dec 1955
DATE 5-1-78 Blpp

Dear Sir:

I am transmitting herewith photostatic copies of telegrams sent by DAVIS and his associates through the facilities of R. C. A. Communications, Inc., during the months of July, August and September 1939.

In order to expedite the submission of this information the individual telegrams are not being listed, but they are contained on the photostatic sheets attached hereto, which are numbered from 1 to 22 inclusive.

R. C. A. Communications, Inc., is continuing a search of its records for this material, and as fast as information is obtained it will be submitted to the Bureau. In those instances where it appears that any messages are of particular interest, they will be submitted to the Bureau by teletype.

Very truly yours,

P. E. FOXWORTH,
Special Agent in Charge

DECLASSIFIED BY 2909 DPJ/dh
ON 4-10-78

RECORDED & ~~INDEXED~~

65-1168-43

SEP 23 1939

Enclosures (22)
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NW 63226
DocId:34637063 Page 92

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:COH

September 22, 1939

Time: 9:35 a.m.

MEMORANDUM FOR THE FILE

RE: WILLIAM RHODES DAVIS;
ESPIONAGE

SAC Foxworth called from New York in connection with a survey made looking toward the installation of a telephone tap on Davis' wires.

The home phone calls have been examined and they appear all to be of a social nature in and around Westchester. Davis has an office at 50 Rockefeller Center. However, an employee of Radio City is at the switch board day and night for which reason there is not much chance to install a tap there.

A survey also was made of the residence of Erna F. Wehrle, who resides in an apartment at 30 East 68th Street. The box containing the cable coming into this apartment is marked "do not touch", "do not open the box", et cetera. The Agents who have examined this setup are afraid they cannot make an installation but stated that Agent Ransom of Philadelphia might be able to do so. I instructed Mr. Foxworth to have Agent Ransom come to New York for this purpose.

In answer to my inquiry as to whether the Clipper had left Bermuda, Mr. Foxworth stated he had received no notification to that effect. I advised him I would like to have a verification as to whether the Clipper reached Lisbon. He stated he could secure this very easily.

E. A. TAMM

RECORDED
&
INDEXED

65-1168-44

FEDERAL BUREAU OF INVESTIGATION
OCT 3 1939
U. S. DEPARTMENT OF JUSTICE

FILES

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-27-77 BY SP1 alc/th

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DocId:34637063 Page 93

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
SEP 26 1939

TELETYPE

DECODED COPY

CONFIDENTIAL

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Searls
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

FBI NEW YORK CITY 9-26-39 10-25 PM

DIRECTOR

WILLIAM RHODES DAVIS ESPIONAGE. NEW YORK TRUST COMPANY FILES CONTAIN CONFIDENTIAL INFORMATION THAT IN NINETEEN THIRTYFIVE SINCLAIR CONSOLIDATED OIL CORPORATION WAS SELLING SUBSTANTIAL AMOUNTS OIL IN CARGO LOTS FOR SHIPMENT TO GERMANY ON ONE HUNDRED PERCENT EXCHANGE BASIS WHEREAS USUAL BASIS WAS FIFTY PERCENT CASH AND FIFTY PERCENT MERCHANDISE INTO GERMANY IN EXCHANGE FOR ONE HUNDRED PERCENT MERCHANDISE. DAVIS ALLEGED TO BE VERY CLOSE TO PRESENT NAZI GOVERNMENT. DAVIS IN ROME NINETEEN THIRTYSIX ON PROPOSED ERECTION OF REFINERY AND STORAGE PLANT. IN NINETEEN THIRTYSEVEN SINCLAIR WAS DRILLING FOR OIL IN MEXICO ON PROPERTY CONTROLLED BY CIA MEXICANO TUZAPAN, A DAVIS COMPANY. DAVIS REPORTED TO BE INTERESTED IN BUILDING OF LARGE OIL TANKER BY VULCAN COMPANY, BREMEN, GERMANY, FOR DELIVERY NINETEEN FORTY.

FOXWORTH

END

OK FBI WASH DC CEC

Copy destroyed-30

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65-1168-45
FEDERAL BUREAU OF INVESTIGATION
OCT 3 1939
U. S. DEPARTMENT OF JUSTICE
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4-28-98

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DocId:34637063 Page 94

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
SEP 25 1939
TELETYPE

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

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ON 12/12/02

FBI NEW YORK CITY 9-25-39 2-52 PM ERL

DIRECTOR

WILLIAM RHODES DAVIS ESPIONAGE. THROUGH ARRANGEMENTS WITH WESTERN UNION, ALL OUTGOING MESSAGES FROM DAVIS AND CO SINCE SEPTEMBER ONE SECURED, THOSE BEING OF POSSIBLE IMPORTANCE READING AS FOLLOWS

SEPT 1 1939 CONFIDENTIAL

RDF 1 37 DL

DAVCOM S A

AVE JUAREZ 76 MEXICO D F

29 FOLLOWING FROM BERLIN TODAY QUOTE 451 21L WAKAMA 23818.50 PAID TWENTYFIRST STOP IBERIA PAYMENT STILL PENDING SINCE SUMAXXX SUDAMERO NOT YET RECEIVED MINISTRY INSTRUCTIONS RELEASE PIPSADRAFT PROCEEDS TO DAVCOM IMMEDIATELY ACCORDANCE 17L UNQUOTE

CONSANUERO AND COMPANY INC

RECORDED & INDEXED
65-1168-46
FEDERAL BUREAU OF INVESTIGATION
OCT 3 1939
U. S. DEPARTMENT OF JUSTICE

Classified by 2909 DPJ/dlf
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Date of Declassification Indefinate
4-12-78

NW 63226
DocId:34637063 Page 95

RDF 1 DL

SEPT 3 1939

CONFIDENTIAL

DAVCOM S A

AVE JUAREZ 76 MEXICO D F

30 RECEIVED FOLLOWING FROM BERLIN TODAY QUOTE 455 17L FRIENDS SO FAR DO NOT ATTEND FOLLOW FRIENDS SUGGESTION RELEASE DOLLARS TO YOU THEREFORE SUGGEST YOU CANCEL AUTHORIZATION PAYMENT 18L FROM SUBACCOUNT D ENDQUOTE

DAVCOM

SEPT 5, 1939

RDF1 12

WALTER A JONES

MAYFLOWER HOTEL WASHINGTON DC

NEW PASSPORT ISSUED LATE SATURDAY SIX MONTHS STOP LEASE ADVISE NEXT MOVE

FLANLEY

PHOTOSTATIC COPIES REMAINING MESSAGES APPARENTLY RELATING TO NORMAL BUSINESS TRANSACTIONS, TOGETHER PHOTOSTATS ABOVE QUOTED BEING FORWARDED. ALL AVAILABLE MESSAGES WESTERN UNION NYC AND SCARSDALE NY HAVE NOW BEEN SECURED

FOXWORTH

END

OK FBI WASH DC CEC

CONFIDENTIAL

NW 63226
DocId:34637063 Page 96

FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT NEW YORK CITY

FILE NO. 65-128

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEW YORK CITY	9/26/39	9/20-25/39	W. J. HIGGINS WJH:ETA

TITLE	CHARACTER OF CASE
WILLIAM RHODES DAVIS	ESPIONAGE

SYNOPSIS OF FACTS: [redacted]

Further information concerning personal history and international financial background of WILLIAM RHODES DAVIS contained herein. DAVIS apparently financed in his operations to a great extent by the First National Bank of Boston. DAVIS reported to hold monopoly on sale of petroleum in the Irish Free State. Subject has account at Chase National Bank, and source of credits being obtained. DAVIS reported affiliated with LORD INVERFORTH, British industrialist in Mexican oil field. DAVIS and firms with which he is connected involved in numerous European law suits resulting from his petroleum operations. Information concerning WALTER A. JONES contained herein. JONES is reported to have visited Mexico along with JOHN L. LEWIS and Senator JOSEPH GUFFEY of Pennsylvania, prior to confiscation of American oil properties. Dun & Bradstreet files reviewed. Investigation being continued in the New York Field Division.

APPROPRIATE AGENCIES AND FIELD OFFICES ADVISED BY ROUTING SLIP(S) OF DeClass. DATE 5-1-78 BCaff

- P -

REFERENCE: Report of Special Agent WALTER J. HIGGINS, New York City, dated September 22, 1939.
Teletype to Bureau dated September 21, 1939.
Teletype to Bureau & St. Louis, dated September 21, 1939.
Teletype to the Bureau dated September 21, 1939.
Teletype to the Bureau dated September 21, 1939.

OCT 5 1 10 38 AM '39

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ON 4-10-78

APPROVED AND FORWARDED	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES		
		65-1168	47	OCT 3 1939

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OCT 3 P.M.

U. S. GOVERNMENT PRINTING OFFICE 7—2034

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REFERENCE: Teletype to the Bureau dated September 21, 1939.
(Cont'd.) Teletype to the Bureau dated September 21, 1939.
Teletype to the Bureau dated September 22, 1939.
Teletype to the Bureau dated September 22, 1939.
Teletype to the Bureau dated September 22, 1939.
Teletype to the Bureau dated September 22, 1939.
Teletype to the Bureau dated September 22, 1939.
Teletype to the Bureau dated September 23, 1939.
Teletype to the Bureau dated September 23, 1939.
Teletype to the Bureau dated September 23, 1939.
Letter from the Bureau dated September 22, 1939.
Teletype to the Bureau dated September 25, 1939.
Teletype to the Bureau & Boston, dated September 25, 1939.
Teletype from the Washington Field dated September 22, 1939.
Teletype from the Boston Field Office dated September 22, 1939.
Letter to the Bureau dated September 21, 1939.
Letter to the Bureau dated September 21, 1939.
Letter to the Bureau dated September 22, 1939
Letter to the Bureau dated September 22, 1939.
Letter to the Bureau dated September 23, 1939.
Letter to the Bureau dated September 23, 1939.
Letter to the Bureau dated September 23, 1939.
Letter to the Bureau dated September 23, 1939.
Letter to the Bureau dated September 25, 1939.
Letter to the Bureau dated September 25, 1939.
Teletype to the Pittsburgh Office dated September 22, 1939.

DETAILS: AT NEW YORK CITY

Due to the extremely expedite nature of this investigation, and due to the voluminous size of the project of reviewing the records of the various communication systems in New York City, the Bureau had been periodically advised, and is still being advised by teletype and letter, of the various developments as they arise, so as to expedite the Bureau's receipt of this information.

It is to be noted further that the New York Field Division is not in a position to evaluate the importance of any particular communication sent or received by subject or any of his affiliates or affiliated companies. However, photostatic copies of communications of possible importance have been forwarded to the Bureau as received, and

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other photostatic copies of the same are being retained in the files of the New York Field Division.

Also due to the large number of telegrams, cables, etc. which have been noted by Agents of the New York Field Division while reviewing the files of the respective communication systems, the text of these is not being quoted herein, but the particular communication from the New York Field Division to the Bureau which transmitted either the text of the telegrams, etc. or photostatic copies thereof, is referenced in this report.

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Pursuant to instructions of Special Agent in Charge, P. E. Foxworth, on the night of September 20, 1939, Special Agents R. H. Groff and G. A. Nease, contacted MR. HERBERT T. STAUB, Legal Department, Western Union Telegraph Company, 60 Hudson Street, New York City, at 9:00 a.m., on September 21, 1939. MR. STAUB was informed that copies of all telegrams sent by the following individuals were desired:

WILLIAM RHODES DAVIS,	2 Cooper Road, Scarsdale, New York					
	30 Rockefeller Plaza, New York City					
W. R. DAVIS	30 Rockefeller Plaza, New York City					
WILLIAM R. DAVIS	"	"	"	"	"	"
W. RHODES DAVIS	"	"	"	"	"	"
DAVIS & COMPANY, INC.	"	"	"	"	"	"
DAVIS & COMPANY	"	"	"	"	"	"
ERNA F. WEHRLE	"	"	"	"	"	"

MR. STAUB was also requested to check his records to ascertain whether or not the following companies with which DAVIS is associated, have an account with the Western Union Telegraph Company. He was advised that if any of these companies did maintain an account, copies of the telegrams sent by them were also desired. The companies are as follows:

PARENT PETROLEUM INDUSTRIES	30 Rockefeller Plaza, NYC			
CRUSADER PETROLEUM COMPANY, INC.	"	"	"	"
CRUSADER PETROLEUM INDUSTRIES, LTD.	"	"	"	"
IRISH NATIONAL REFINERIES, LTD.	"	"	"	"
TUSPAN OIL COMPANY	"	"	"	"
CRUSADER PETROLEUM INC.	"	"	"	"
FLEETHORN OIL, INC.	"	"	"	"
EUROMEX OIL COMPANY, INC.	"	"	"	"
TEXAS CRUSADER OIL, INC.	"	"	"	"
LOUISIANA CRUSADER OIL COMPANY, INC.	"	"	"	"
EUROPAISCHE TANKLAGER AND TRANSPORT, A.G.	"	"	"	"

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SKANKA-TANK, A.G. 30 Rockefeller Plaza, NYC

CALIFORNIA CRUSADER PETROLEUM, INC. " " " "

MR. STAUB immediately caused the records of the Western Union Telegraph Company to be checked after which he advised that DAVIS AND COMPANY, 30 Rockefeller Plaza, New York City, maintain an account with the Western Union Telegraph Company which is considered to be quite a large account and that they have installed in their offices a Simplex machine with which they transmit their messages to the main office of the Western Union Telegraph Company.

He also stated concerning the latter group of companies set forth above, that the only one of these companies ever having had an account with the Western Union Telegraph Company is the CRUSADER PETROLEUM COMPANY, INC.

Concerning this company, he advised that their account had always been very small and as a matter of fact had only been active during the months of July, September, October, and November, 1938.

His records reflected that during the month of July, this company had sent messages totaling $10.76; in September, $20,15; in October, $8.69, and in November $2.82. He stated that inasmuch as his company keeps copies of telegrams for only one year they would not have copies of the telegrams sent by the above company during the month of July, 1938.

MR. STAUB advised that it would not be possible to locate copies of cash messages sent by any of the above companies or individuals unless the point of origin, the point of destination and the date the particular messages were sent could be ascertained. He stated, however, that in view of the fact that Davis and Company, Inc.,makes use of the Simplex machine, it is very doubtful that any cash messages had been sent by this company. He stated that his files did, however, contain copies of all outgoing messages charged to the above company's account and also collect messages received by them.

At the time of Agents' visit, MR. STAUB could not give any estimate concerning the cost involved in locating these messages but stated that he would furnish the New York Office with this information as soon as possible.

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MR. STAUB was impressed with the absolute necessity for secrecy in this matter and was requested to furnish the telegrams in question as expeditiously as possible. He stated that he would immediately place ten men on the job of locating the desired telegrams and that he would send two men to the Scarsdale New York Office of the Western Union Telegraph Company to search their records.

MR. STAUB produced the card reflecting the charge account maintained by DAVIS and COMPANY, INC., which card revealed very little information of value. However, it was ascertained that this account had been opened on December 7, 1934 and that credit inquiries had been received from Washington, D. C., and Houston, Texas, concerning the same, which, MR. STAUB advised would tend to indicate that DAVIS AND COMPANY, INC., probably maintained representatives or offices in these two cities.

At the present time, September 25, 1939, all telegrams charged to the account of Davis and Company, Inc., and to W. R. Davis, 2 Cooper Road, Scarsdale, New York, have been secured, the majority of which have been photostated and forwarded to the Bureau. The contents of those messages appearing to be of particular interest having been furnished to the Bureau by teletype. The balance of these telegrams are in the process of being photostated and will be forwarded to the Bureau immediately.

Relative to the telegrams received from the Scarsdale Office of the Western Union Telegraph Company, it should be stated that several incoming telegrams were also secured;concerning this MR. STAUB explained that these were telegrams received by that office and telephonically relayed to the Davis residence and under such circumstances, copies are made and maintained in their files.

It might be stated that at the time of Agents' original contact with Mr. Staub, September 21, 1939, he advised that it would be necessary to serve him with an appropriate subpoena in order for him to produce the telegrams desired. Therefore, the proper subpeona was prepared and was served on Mr. Staub at approximately 1:00 p.m., on September 21, 1939.

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65-128 Thisinvestigation conducted by Special AgentG.A. NEASE.

As will be noted in the report of Special Agent W. Y. Hymphreys, dated New York City, May 25, 1937, a mail cover placed on the mail of W. R. DAVIS, 30 Rockefeller Plaza, New York City, revealed that among others, he had received mail from DAVID E. B. JONES, whose return address was given as Hotel Aberdeen, 17-19-21 West 32nd Street, New York City.

Inquiry of MR. JOSEPH E. MARTIRE, Manager of the Hotel Aberdeen, revealed that this individual's proper initials are DAVID E. W. JONES and that he has been stopping at the Hotel Aberdeen for approximately 8 years and that at the present time he has been continuously residing at this hotel for the past 7 months.

MR. MARTIRE stated that JONES apparently is a reliable sort of person and that he believes he is a consultant in the oil business and has gold mining interests in the State of Colorado. He advised that JONES occasionally has oil men from Texas in to see him at the Hotel. He further advised that JONES does not appear to be a spender nor does he appear to be particularly wealthy advising that at the present time he is approximately $200 behind in his hotel bill, but that in view of his past trustworthiness in meeting his obligations, he has not pushed Jones for this sum especially in view of the fact that JONES is presently keeping an old sick friend of his by the name of SAM KIRKMAN in his hotel room with him. JONES is said to be between 55 and 60 years of age and is believed to have a wife and child somewhere in Colorado.

In view of the above information it appears that DAVID E. W. JONES is not identical with WALTER A. JONES, whose address is said to be the Hotel Mayflower, Washington, D. C.

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The following investigation was conducted by Special Agents E. C. Parkhurst and Joseph A. Genau, on September 22, 1939, at New York City.

On September 22, 1939, SHERRILL SMITH, Vice-president of the CHASE NATIONAL BANK, 18 Pine St., N.Y.C. furnished agents with the following article which appeared in RINEHART'S-TULSA EDITION - August 16, 1937, from the file of WILLIAM RHODES DAVIS:

" W. R. DAVIS IS AGAIN "MAKING COPY"

" ONE OF THE best stories that could be written should the man concerned give out an interview would be about W. R. Davis, now of New York, who breaks into the oil news every now and then by having opened a new oil field or by having purchased an oil property for several million dollars.

" DAVIS HAS been "good copy" all his life because he has been up-and-down financially but he has never failed to bounce back into the big money in a big way. The writer has wanted to interview him ever since he came back from Europe a short time ago and organized his new vehicle, W. R. Davis & Co., and its allied concerns, the Texas Crusader Oil Co., Louisiana Crusader, and Crusaders Petroleum Inc., but since he seldom comes West of the Mississippi and news is being made we take the liberty to make a few remarks.

" LITTLE LESS than a year ago, we began to hear of this gentleman "once more" after we had known him originally 10 to 15 years ago in Tulsa. We knew him originally when he took a suite in the Atco building in Tulsa, organized the Crusaders Oil Co., in which Benedum & Trees is said to have been interested, and later built the Crusaders Pipe Line Co., from Smackover, Ark., to the Mississippi river. Later, things did not go so well and he went to South America and is said to have built up another fortune. Then, it is said he suffered another attack of worn out shoe leather and stood in front of the Biltmore hotel, New York, looking around for a straw that would bring him another fortune. 'Tis said that he bought a paper and read where many of the eastern

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banks had a lot of bad foreign security on hand. Among the banks having this is said to have been the First National Bank of Boston. He hopped a rattler and went to Boston, it is said; made a deal to go to Germany and do some trading for the bank. We hear that he traded German goods — everything from pretzels to oil field tubular goods for Oregon apples and what have you.

" HE MADE good. All the things that he came home with we do not know but among them was an absolute monopoly for the sale of petroleum and its products in the Irish free state and certain valuable connections in Germany where, it is said, he became personally acquainted with Hitler. It is even said that he got $30,000,000. from Hitler and Mussolini to finance his oil operations. This may be an exaggeration but those who know Davis know that nothing is impossible for him. It would not be impossible to see how he might interest Hitler in an oil venture, particularly in view of the fact that his financial operations must have taken him into the Deutsche bank in Berlin on numerous occasions.

" ANYWAY, he came back to the states, rented a big suite at Rockefeller Center, set up W. R. Davis & Co., and organized the Texas Crusader Oil Co., taking over Herman Heep's suite of offices in the Gulf building in Houston, and took his first block of acreage on the Magnet dome in Wharton county. His first well on this block came in good. That was when we heard from him.

" SINCE THEN, he has developed other production in Texas, production in Louisiana and on July 29th we reported that Crusaders Petroleum Inc., which is his Oklahoma operating concern, purchased all stock of Fleetborn Oil Corp., of Ada, Okla., for "slightly in excess of $5,000,000." H. W. Wilson is president of this new firm.

" Back of the Fleetborn deal is the fact that the First National Bank of Boston and the First National Bank of Oklahoma City made a $2,000,000. production loan on this deal. The properties are excellent. They are mainly in the Fitts pool, Pontotoc county.

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" IT IS SAID that Davis has completed a new refinery in Germany andhe has one in England. It is said that he obtained his monopoly on petroleum sales in the Irish Free State by agreeing to retum one-half of his profits to that state. Lots of other things are reported and we only wish we could interview Davis and get all the facts. We anticipate doing so if he ever "comes west" and in the meantime pass the news tip on to some enterprising New York daily newspaper. "

RHINEHART'S is apparently an oil publication. A typewritten copy of the above article is in instant case file in the New York Division.

MR. SHERRILL SMITH stated that an account with the CHASE NATIONAL BANK, Rockefeller Plaza branch, 49th St. and Fifth Avenue, N.Y.C. was opened for W. R. DAVIS & CO., Rockefeller Center on June 4, 1936; that the average balance during the year 1939 amounted to $5300, and the present credit balance in said account amounts to $39,590. MR. SMITH is having this account examined to determine the source of the credits appearing therein, and will contact agents after this has been determined.

On September 23, 1939, J. M. LOWE, Treasurer of PROUDFOOT'S COMMERCIAL AGENCY, INC., 70 Pine St., N.Y.C. furnished agents Parkhurst and Genau with a report dated September 22, 1939, covering WILLIAM RHODES DAVIS, c/o DAVIS & CO., Rockefeller Plaza, N. Y. C., which includes information set forth in all previous reports of PROUDFOOT'S COMMERCIAL AGENCY INC., on WILLIAM RHODES DAVIS,which information has been submitted in report of Special Agent Walter J. Higgins, N.Y.C. dated September 22, 1939, and further information concerning this individual, bringing material up to date, namely, September 22, 1939. The additional information is as follows:

In Germany the PARENT PETROLEUM INDUSTRIES, LTD., owned and operated one of the largest refineries in Europe, while in Sweden, Denmark and Finland, the CRUSADERS PETROLEUM INC. had mainly storage plants. Recently DAVIS and Co., which had a large interest in the PARENT PETROLEUM INDUSTRIES, LTD. withdrew from the latter and made exchanges of property in order to be able to divest itself of its interest in that corporation. This was done

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by DAVIS & CO. taking over the properties in Germany (Hamburg), Sweden and Finland, and turning over to the English interest the CRUSADERS PETROLEUM INC. which owned oil properties in Kansas, Texas, Louisiana and Oklahoma. As a result of these changes the interest in oil properties in the United States which prior to the change were said to amount to over 100,000 acres, were substantially reduced but since then DAVIS & CO. has acquired other acreage in Texas which will be mentioned later. Furthermore, DAVIS & CO. acquired all of the outstanding stock of the CRUSADERS PETROLEUM INDUSTRIES, LTD. which owns the plants in Hamburg, Sweden and Finland.

DAVIS & CO. and the LORD INVERFORTH interest own large acreaged in the Mexican oil field POSO RICO. The Mexican properties are in the names of two corporations, one of which may be the TUSPAN OIL CO. and there is also another company used there for trading purposes. The Mexican properties are said to be possessed of large potential value, but it is not being developed.

DAVIS & CO. has assubsidiary known as the MERAUX TERMINAL CO. of Meraux, La., which owns a terminal there and wharves and storage facilities.

In recent months DAVIS & CO. acquired 12,000 acres of oil land in Stark County, Texas, from the Trans-Western Oil Co. and DAVIS & CO. is building a refining plant there. The company owns acreage also in the Alice field in Texas, where it is also building a plant and it has 1200 acres on which it is drilling in Garwood, Texas.

In addition to the property holdings and drilling and refining operations, DAVIS & CO. also trade in oil properties and the account is a broker in the sales and purchases of large quantities of oil. In the capacity of broker, DAVIS & CO. handles consideralbe oil for the Mexican government in two contracts, one involving 10,000,000 barrels and the other 17,000,000 barrels. The last named contract is not fully completed.

The PROUDFOOT AGENCY learned that the oil was sold by DAVIS to Germany, Italy andSweden. DAVIS & CO. had, from time to time, purchased quantities of oil in the United States and shipped it to the Hamburg refinery, where it was converted into gasoline and other products and sold in European markets. DAVIS & CO. also purchased quantities of gasoline in the United States, and

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sold it to distributors in Denmark, Finland, etc. A large part of the oil which DAVIS & CO. sold for the Mexican government was of expropriated oil taken from the properties that had been owned by American, British and foreign interests. The PROUDFOOT AGENCY has been told that there were some nine suits, in France, Belgium, Holland, Sweden and possibly England, involving the seizure of this oil in the course of transportation, but that they are informed that DAVIS & CO. won all of the nine suits.

In the sale of the Mexican oil to Germany, it was agreed that Germany would pay 40% in cash and 60% in credits. To convert the credits into a more tangible form of payment supplies were furnished by Germany to Mexico. DAVIS & CO. realized the profits when the purchased supplies, particularly oil supplies were the credits and were sold in the United States. In this way DAVIS & CO. was able to cash in on the profits, at least in part, and in a few cases it had to take securities from oil companies which purchased these supplies. The supplies were not only for oil drilling, but also involved some six oil tankers which DAVIS & CO. had constructed in Germany with the credits, and sold them elsewhere.

It was disclosed in 1938 that the Pan Handle Producing & Refining Co. issued 235,439 shares of its common stock to DAVIS & CO. in exchange for $600,370.00 foreign tubular goods, which came either in whole or in part from Germany. The stock was issued in the ratio of 1 share for each $2.25 of goods. The PROUDFOOT AGENCY understands that Davis & Co. has about 200,000 of these shares left and the balance it has disposed of. The Proudfoot Agency also learned that Davis & Co. had advanced some $600,000 to the Pan Handle concern on the latters note in connection with the Pan Handle's reorganization. The Proudfoot Agency also understands that the financing of the oil companies is also part of the business of Davis & Co. The MARTEX OIL CO. had also given DAVIS & CO. a substantial block of its stock in exchange for oil supplies, and earlier in the year it was reported that DAVIS & CO. held some 270,000 shares of its stock. MARTEX stock is selling for at $1 a share and the Pan Handle stock, which is listed on the NEW YORK STOCK EXCHANGE is selling for $1.50 per share.

In converting its German credits into German manufactured oil supplies, DAVIS & CO. used whatever they could of these supplies and sold the rest. With conditions as they are now in Germany, DAVIS & CO. is unable to make any purchases therefor its oil drilling operations, with the result that it is endeavoring to purchase its supplies

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in the United States. In the meanwhile DAVIS does not know what has happened to his plant in Hamburg, and it is hard to say what the outcome will be of the other property investments in Scandinavia and Finland, if thewar should spread and last for a long period. In view of the cloud over DAVIS' foreign holdings, he is apparently concentrating more on developing his United States holdings. The PROUDFOOT AGENCY is informed that for several months before the war broke out, DAVIS was adjusting his foreign interests in anticipation of a war, with the result that liabilities were reduced or eliminated and other adjustments made so that if there should be an outbreak of war, these foreign holdings would not impair his United States holdings. The Proudfoot Agency is told that as a result DAVIS is not greatly concerned about the foreign holdings from the standpoint of maintaining his financial responsibility.

The operations of DAVIS & CO. have been financed largely by a bank in Boston, which has at times extended an accomodation running well into seven figures and secured in various forms such as mortgages, shipments, etc. The bank has always protected itself adequately in the extension of the loans and DAVIS' operations have been conducted to a small extent with his own capital primarily with the accomodations from the bank. The Proudfoot Agency is told that DAVIS' companies are still in debt to the bank and although figures could not be obtained it is presumed that the amount of indebtedness is rather substantial. The bank did state that the amount of indebtedness represents a sizeable reduction from what it was. Incidentally, it has been stated prior to the time when Davis withdrew from the PARENT PETROLEUM INDUSTRIES,LTD. that the English interest had invested some $10,000,000 in the various companies in which it was interested with DAVIS.

THE PROUDFOOT AGENCY is reliably informed that DAVIS & CO. is in better condition than it was even a year ago, and that its cash position is strong enough to enable it to meet any current obligations it may assume. This agency also learned from the bank in Boston that although DAVIS' companies are still in debt to the bank, the bank is willing to make necessary accomodations on development work in the United States but not in Mexico.

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In July 1938, DAVIS was named as a defendant along with HENRY WARREN WILSON, FOREIGN OIL CO. INC. and the CRUSADERS PETROLEUM INDUSTRIES, LTD. by one CARL F. GLAD and his company, called in short, GICA, of Copehhagen, which was engaged as distributor of gasoline. The allegations of Glad were chiefly against Davis and they charged that in 1932, GICA and the FOREIGN OIL CO. INC., made an agreement whereby FOREIGN OIL CO. INC. would supply it with gasoline. Glad alleged that DAVIS subsequently found that the Scandinavian market was not to his liking and that he was losing money, with the result that he proceeded to break his contract with GICA. The dispute that ensued was taken to Berlin for arbitration and in November of 1935, a decision was awarded in favor of GICA, however, the latter continued to have trouble in getting supplies of gasoline from the Foreign Oil Co. Inc. and in December of 1935 GLAD had a meeting with DAVIS, WILSON and others, and during the meeting DAVIS suggested that GICA'S business and assets be put into a new company, to be known as the DANISH CRUSADER COMPANY, from which GICA would get its supplies of gasoline. DAVIS offered to put in three times as much in the new company, and he assured GLAD that the latter would obtain better results than if he were to insist on the FOREIGN OIL CO. INC. living up to the arbitration award. He alleged that he still could not get the necessary supplies of gasoline with the result that GICA had to go into liquidation. GLAD alleged that the assets of the Foreign Oil Co. Inc. were transferred to the CRUSADERS PETROLEUM INDUSTRIES, Ltd. in order to escape its liability under the arbitration award. On the other hand Davis testified at the trial that all the receipts of the Foreign Oil Co. Inc. were pledged to the company's bank in Boston. GLAD asked for damages for alleged conspiracy to cheat and defraud him by inducing him to enter into a release of the arbitration award; he also asked for the return of certain money due him. The case was tried before the King's Bench Division of the High Court in London. The Court awarded a verdict in favor of Glad but DAVIS appealed to the court of appeals and the unanimous verdict was handed down last April in favor of DAVIS and the other defendants. The PROUDFOOT AGENCY learned that later GLAD appealed before the House of Lords, and the latter also ruled in favor of Davis. DAVIS and HENRY WARREN WILSON have claimed that the large oil companies were endeavoring to persecute them and were behind Glad in the suit. DAVIS and WILSON have claimed that the large oil companies were against DAVIS entering the European market and were behind the oil seizure suits, as they were against his negotiations for the sale of Mexican expropriated oil.

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It is claimed that the nine law suits have cost the DAVIS outfit about $1,000,000 in expenses but there are no further law suits expected by him.

DAVIS is the typical promoter. Some people have spoken very unfavorably of him while others have reported that their relations with him have been entirely satisfactory. It is pointed out that LORD INVERFORTH has been associated with DAVIS for a number ofyears and had even been one of those who invested money in his Pipe Line venture that turned out unfavorably. There have been rumors to the effect that DAVIS did not "behave" properly in his earlier dealings and that he is not to be "trusted", however, in those quarters where an effort was made to determine exactly whether he is honest or not, it was finally concluded that he is inclined to be over enthusiastic about a proposition, and like the opportunist that he is, he may become sold on a proposition which in the end willturn out unsuccessful for himself and for those who may finance him. Then again he will always go where he sees the best opportunity, regardless of having made previous comittment to undertake a less attractive venture, thus disappointing those who counted on him in the first place.

In view of the complicated set-up of DAVIS' business interests, and the indebtedness to the Bank in Boston, it is difficult to obtain a line on DAVIS' financial responsibility. He does not issue financial statements nor does his companies, but the Boston bank is well informed at all times. As already indicated, DAVIS and his companies are now in a position to meet their current obligations and it is consequently stated that DAVIS can be recommended for an obligation within reason at this time. Incidentally, the other day, DAVIS and his wife and daughter were reported to have flown to Rome on the YANKEE CLIPPER. A carbon copy of PROUDFOOT'S COMMERCIAL AGENCY report as mentioned above is in instant case file in the New York Division

The report of Special Agent Walter J. Higgins, dated at New York City, September 22, 1939, in this matter, reflects on Page 22, that the pertinent information contained in the judgment obtained in the court of appeals, London, England, hereinbefore referred to, will be submitted in a later report. A photostatic copy of the entire printed judgment has been furnished to the Bureau, and a photostatic copy placed in the files of the New York Bureau office, and for this reason the information contained therein, is not being summarized at the present time. It is noted, however, that

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said judgment states that DAVIS, with the help of MR. BURGESS succeeded in getting a temporary acceptance credit of 50,000 pounds, from SCHRODER BROS. for financing imported cargoes upon the terms of a stringent agreement. It has come to the attention of the reporting agents, that SCHRODER BROS. have been mixed up in other financial transactions investigated by the New York Bureau Office, particularly a mail fraud matter presently under investigation, in which STEPHEN PAINE of the firm PAINE, WEBER & CO. is under indictment.

It is further noted from said printed judgment that at the beginning of 1935, there were no storage facilities in Copenhagen for ocean cargoes of crude oil, and with the assistance of the Boston bank, the Foreign Oil Co. Inc. organized a Swedish company known as the SVENSKA FOIL. Storage tanks were erected at MALMO in Southern Sweden which is situated only 1½ hours away from Copenhagen.

It is noted from the printed judgment, above mentioned, that "the method followed by the bank (First National Bank of Boston) for financing FOILS overseas shipments, was all through 1935, down to September, a revolving credit within the broad limits of the total permitted overdraft and/or loan account. In the summer of 1935, DAVIS succeeded in easing FOIL'S position with the bank by his personal efforts in one direction, namely, in connection with the EUROTANK refinery, FOIL'S one source of profit at that time." It appears from the foregoing that the manner in which the First National Bank of Boston extended credit to W. R. DAVIS and his companies may warrant further investigation.

On September 22, 1939, F. D. LOCKWOOD, Manager, New York Credit Exchange, 250 Broadway, N. Y. C. furnished Special Agents E. C. Parkhurst and Joseph A. Genau with the following information relative to WILLIAM RHODES DAVIS and his associates. MR. LOCKWOOD stated that WERNER C. Von CLEMM married the daughter of HARRY T. S. GREEN, Vice President of the National City Bank, and former President of the International Banking Corporation of New York, which latter institution was taken over by the National City Bank of New York. WERNER C. Von CLEMM isreported to have been in on a barter deal with Germany; that he came to the United States in 1922 and is naturalized and subsequently planned to import from Germany; that WERNER C. Von CLEMM was an employee of DAVIS & CO., and his twin brother CARL F. Von CLEMM who resides in Germany, is a Director of DAVIS & CO.; that

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WERNER C. Von CLEMM is also connected with the PIONEER IMPORT CORPORATION of New York City which corporation imports merchandise from Germany selling same in the United States and the proceeds thereof are used to purchase United States goods; that WERNER C. Von CLEMM has an account with the National City Bank of New York and his attorney is JAMES A. STEVENSON, 55 Wall St., N. Y. C.; that the CHASE NATIONAL BANK has a file on WERNER C. Von CLEMM. MR. LOCKWOOD also stated that MR. LEROY of the firm of CADWALLDER, WICKERSHAM & TAFT, 14 Wall St., N.Y.C. is acquainted with WERNER C. Von CLEMM; that Von CLEMM represents HARDY & CO. which company is an international Banking corporation in Berlin, Germany, Amsterdam, Holland and New York City.

MR. LOCKWOOD declared that in 1933, the New York address of WERNER C. Von CLEMM, was 520 E. 86th St.; that he subsequently moved to 242 E. 62nd St. MR. LOCKWOOD stated that Von CLEMM had an account in the CORN EXCHANGE BANK and gave as a reference to said bank the name of JAMES A COLE, 120 Broadway, N.Y.C.; that MR. COLE is associated with JOSEPHTHAL & CO. brokers, N.Y.C. that WERNER C. Von CLEMM presently resides at Syosset, Long Island, N. Y.

MR. LOCKWOOD declared that he interviewed Von CLEMM who stated that the PIONEER IMPORT CORP. is owned by the INTERNATIONAL MORTGAGE & INVESTMENT CO. of 57 William St., N.Y.C. c/o BURR & CO. which information he believed not to be true. MR. LOCKWOOD declared that JOHN BALCK of the BURR firm knows something about the authority of Von CLEMM in the scheme to barter merchandise for German mortgages. MR. LOCKWOOD further declared that JAMES A. STEVENSON, attorney for PIONEER IMPORT CORP. informed him that WERNER C. Von CLEMM was a friend of MR. D. McVICKERS who was at one time with the Securities Exchange Commission. MR. LOCKWOOD also declared that STRAUSS & HEDGES were the custom brokers for PIONEER IMPORT CORP.

MR. LOCKWOOD declared that DAVIS & CO. controls the MERAUX TERMINAL CORP. of Louisiana; that the MASSACHUSETTS BONDING CO. of 130 William St., N.Y.C. (MR. BEATTY) might prove to be a valuable source of information as an inquiry had been received by the New York Credit Exchange from Mr. BEATTY.

MR. LOCKWOOD stated that the officers and directors of the INTERNATIONAL MORTGAGE & INVESTMENT CORPORATION were as follows:

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GEORGE H. BURR, President.
JOHN BALCK (Title not known)
H. A. VanNIERAP of Amsterdam.(Title not known)
DR. RINGWALD BASLE
DR. FREDERICHS, Berlin
DR. FREUNDT, Berlin
HUGO RATZMANN, Berlin
JOSEPH M. D'ASSERN (Step-son of George H. Burr)

R. H. KAMMLER of the Credit Bureau of Greater New York, 55 Fifth Avenue, N. Y. C. on september 22, 1939, furnished Special Agents E. C. Parkhurst and Joseph A. Genau, the file on WILLIAM RHODES DAVIS for review. This file indicated that WILLIAM RHODES DAVIS (Wife: MARJANNA DAVIS) reside at 2 Cooper Road, and that the address of DAVIS & CO. is 30 Rockefeller Plaza, N.Y. C. This file also reflects that DAVIS is married, is in his 50's, and that MRS. DAVIS is in her 30's; that DAVIS is said to be divorced from his first wife and that he rented the residence of JOHN T. KELLY in Scarsdale, N.Y. at an annual rental of $3600. In 1933 DAVIS and his wife were reported to be residing at the LONGWOOD TOWERS, 20 Chapel St., Brookline, Mass., for three years and prior thereto they resided at 169 Fuller St., West Newton, Mass. which property was at one time owned by DAVIS., and in 1933 they stopped at the RTIZ CARLTON HOTEL and the COPLEY PLAZA HOTEL, both in Boston, Mass. DAVIS is also reported to have travelled to Europe and South America after the year 1933, and he identified as the President of the DAVIS & CO. firm, 30 Rockefeller Plaza, N.Y.C. Room 5438. This firm also maintained offices at 1 Federal St. Boston, Mass., the main office being located in New York City.; that DAVIS has a bank acconnt in the Scarsdale Bank at Scarsdale, N.Y. The file also reflects information relative to litigation reported by the Boston Correspondent Credit Bureau of Greater New York as follows:

DAVIS sued by BABER & CO., Cont. for $1000 on October 2, 1932. jdge. on November 19, 1932, for $656.60. (Docket #310357)

DAVIS sued by EDWARD HOWELL of Oklahoma, Cont. for $14,000 on January 2, 1933; jdge. for $8,365.00 on February 10, 1933.;exon. March 11, 1933 (Docket #313790)

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DAVIS sued by G.C.ABERNATHY for $8,373.30
(Docket #2-20-33)

The file also indicates that DAVIS & CO. is understood to engage in production and export of crude petroleum. Much of its operations reported handled through a subsidiary company whose identity has been undisclosed. All refining operations are understood to be contracted out to foreign refineries and the resulting products sold abroad. It is said that many of the operations of the company have involved barter arrangements by which the company obtains the cash for its product. The file also includes information already furnished in report of Special Agent Walter J. Higgins, dated at New York City, September 22, 1939.

On September 21, 1939, W. P. COLLIS, of the Credit Business Bureau of Greater New York, 280 Broadway, New York City informed agents Parkhurst and Genau, that he had information that the files of the Credit Bureau of Greater New York might disclose that ORRIE E. STARR of 350 E. 57th St., New York City, was approached by W. R. DAVIS in connection with one of his business propositions. For this reason the files of the Credit Bureau of Greater New York were examined in connection with ORRIE E. STARR, and disclosed the following information:

He last resided at 350 E. 57th St., N.Y.C. for the past 10 years with his wife ELLA MAE STARR. He is Treasurer of the NATIONAL PROPERTIES CORP. at 10 E. 40th St., N.Y.C. and President & Secretary & Treasurer of No. 200 MADISON AVENUE CORP., and Secretary-Treasurer of 40 E. 61st STREET CORP. He is 60 years of age. STARR and his wife have a joint bank account in the name of MR. & MRS. ORRIE E. STARR (bank unknown) since 1932, and maintains a balance which is entirely satisfactory to the bank. No information is reflected with reference to his political activities, business associates or membership in social clubs, etc. He is generally regarded as a man of good character and habits with no known unfavorable associates. He has a small account with local retail organizations which extend credit as high as $438.00. No information is reflected in the file of the Credit Bureau of Greater New York to indicate any connection between ORRIE E. STARR and W. R. DAVIS.

MR. STARR has not been interviewed at the date of this report.

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On September 22, 1939, the confidential informant whose name has been furnished the Bureau by Special Agent in Charge P. E. Foxworth, advised Special Agents E. C. Parkhurst and Joseph A. Genau, that WALTER A. JONES of Pittsburgh, Pa., and Vice-president of the PLYMOUTH OIL COMPANY, and DAVID LAWRENCE, Pittsburgh, Pa. are alleged to be "stooges" of United States Senator JOSEPH GUFFEY of Pennsylvania, and a man named KENNEDY of the United Mine Workers is alleged to be a "stooge" for JOHN L. LEWIS, who is head of the CIO; that it is also alleged that Senator JOHN L. LEWIS, GUFFEY and WALTER A. JONES visited Mexico immediately prior to the confiscation of American oil properties by the Mexican government, and there is suspicion that these men influenced or encouraged the President of Mexico in this confiscation. This confidential informant furnished the names of the following individuals who he stated may be able to furnish information which is not in his possession:

EDWARD MORRIS, GUARANTY TRUST COMPANY, Gulf Building, Pittsburgh, Pa.

JAMES CHAPMAN, President, Colonial Trust Company, Pittsburgh, Pa.

RICHARD B. MELLON, President, Mellon National Bank, Pittsburgh, Pa.

The confidential informant also stated that it is rumored that WALTER A. JONES made large contributions to certain committees in the last Presidential campaign from funds received through DAVIS from foreign sources.

Teletype messages were forwarded to the Bureau and the Pittsburgh Division on the night of September 22, 1939, containing the above information and requesting that the Pittsburgh Division immediately contact the above named individuals and obtain all information.

On September 22, 1939, Special Agents E. C. Parkhurst and Joseph A. Genau examined the files of WALTER A. JONES, W. R. DAVIS, and the FOREIGN OIL CO. INC. with the Guaranty Trust Company of New York, 140 Broadway, N. Y. C. These files were furnished by JAMES L. O'NEILL of the forementioned trust company. The file of WALTER A. JONES contained a report of R. G. DUNN & CO. dated May 29, 1924, re:

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W. R. JONES & CO. (trade name), Walter A. Jones, Proprietor, 50 South Third St., Columbus, Ohio, which reflected that the business of W. R. Jones & Co. was established 18 years ago as a partnership of W. R. Jones & W. A. Jones, father and son. Over ten years ago, W. A. Jones, purchased his father's interest and formed a partnership with J. G. Sayre, the latter being a silent partner. This arrangement was continued until about 1920 when SAYRE withdrew and W. A. JONES has continued alone under the old established firm name. W. A. JONES has conducted business on a fairly large scale and is looked upon as having met with some success. He has always declined to go into detail regarding his affairs. The business is a wholesale sales agency and the assets are reported to consist of cash and accounts receivable. WALTER A. JONES is reported to have various interests and connections aside from this business. He has an interest in a glass manufacturing business in Morgantown, W. Virginia, and is a stockholder in the U. S. Sheet & Window Glass Company of Jewell, Ind. and is principle stock holder in the STANDARD CORP. of Columbus, Ohio. He carries no stock but has his merchandise shipped direct from the factory. He owns no real estate locally but is known to have some personal resources in some quarters and has been estimated to be worth in excess of $250,000, however, the nature of his assets are not determined. The extent of his indebtedness is unknown and it is difficult to closely estimate his responsibility.

Some years ago JONES is reported to have met with some financial reverses and still at times shows indications of being in need of additional working capital. The report of R. G. DUNN dated July 29, 1925, reflects that a suit was filed in the Common Pleas Court, Columbus, Ohio, against WALTER A. JONES by the SIMPLEX ENGINEERING CO. for $25,125 and interest from June 7, 1925, claimed due on a promissory note.

This file also containe a memorandum dated January 29, 1932, wherein it is stated thatWALTER A. JONES' account is on the suspended ledger and that JONES is Receiver for the WAYNE COAL COMPANY of Pittsburgh, Pa. one of the BENADUM-TREES interests, and that he makes his headquarters in the BENADUM-TREES BUILDING, Pittsburgh, Pa. This file also indicates that WALTER A. JONES was Chairman

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of the Board of Trustees of the OHIO WESLEYAN UNIVERSITY, and had considerabl to do with the investments of their endowment fund in 1930; that JONES is also associated with MICHAEL BENADUM of the BENADUM-TREES CO., Pittsburgh, Pa., and that JONES is also interested in the U. S. Sheet & Window Glass Co., at Morgantown, W. Va. The file of the Guaranty TrustCo. re: WALTER A. JONES also contains a memorandum prepared by A. B. HATCHER, Second Vice-president, dated November 23, 1936, mentioning that WALTER A. JONES telephoned to ascertain first the balance in his account and mentioned confidentially that he had loaned the Democratic National Committee, $50,000 on a demand note with the understanding that it would be paid on February 1, 1937. He had some personal business ventures which caused him to need $30,000 to $35,000 for sixty days and inquired if the Guaranty Trust Company would be willing to make such a loan against the pledge of the Democratic National Committee note as collateral security. He was told that loans of this character never were satisfactory either to the bank or to the borrower and that the bank would not be interested in lending on this basis but that if he would set up a loan properly margined by readily marketable securities the bank would be glad to make the loan and a rate would be 3%. This memorandum also stated that MR. JONES is leaving this evening for Washington and upon his return will inform the bank if he desires to borrow the money on the above mentioned basis.

The file of WALTER A. JONES with the Guaranty Trust Company contains a carbon copy of a letter dated August 3, 1937, written by A. B. HATCHER, Second Vice-President, to W. M. VonGOERTZ, Berlin Correspondent Office, Guaranty Trust Company of New York, Unter den Linden, 38, Berlin, N.W. 7, Germany, stating that a letter of introduction had been given to WALTER A. JONES, our good friend and depositor and Vice-president of the PLYMOUTH OIL CO. who is planning to spend a few weeks in Europe, and may have an opportunity to call on him while there; that JONES has taken quite an interest in various civic matters in Washington, having served on certain commissions by appointment of the President and recently through the same source was made head of the Good Neighbor League; that while in Germany Mr. JONES may desire to speak with you on certain credit information; that JONES is carrying one of the Guaranty Trust Company's traveller's letters of Credit and it is believed his financial requirements are well cared for. Practically the same letter was written to the following personson August 23, 1939, by Mr. A. B. HATCHER, Second Vice-president of the Guaranty Trust Co. of New York:

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MR. H. S. GOLDEY, Manager, Guaranty Trust Co. of New York, 50 Pall Mall, London, S.W.1, Eng.

MR. THEODORE ROUSSEAU, Ass't. Manager, Guaranty Trust Co. of New York, Place de la Concorde, Paris, France.

MR. A. B. HATCHER, was away on vacation and was not available for interview.

The file of WALTER A. JONES with the Guaranty Trust Company also reflected a newspaper article appearing in the WASHINGTON SUNDAY STAR, dated August 1, 1937, headed - "GOOD NEIGHBOR HEAD AN EARLY NEW DEALER - Walter A. Jones Entered Politics to Further His Ideas on Capital and Labor." This article mentions that WALTER A. JONES, millionaire oil man, philanthropist is head of the revivified Good Neighbor League, that organization which has suddenly become a potentially powerful factor in American politics. It is also mentioned that Walter A. Jones assisted AL SMITH in his campaign, then President Roosevelt; that he was acquainted with JOHN L. LEWIS, having become acquainted with him during the existence of the NRA, and they have remained friends. A photostatic copy of this newspaper article is attached to the original copy of this report for the information of the Bureau, and a photostatic copy is being retained in instant case file in the New York Division.

JAMES L. O'NEILL, Vice-President of the Guaranty Trust Company of New York, 140 Broadway, N.Y.C. advised Special Agents Parkhurst and Genau, that WALTER A. JONES carried a checking account with the main office of this trust company located at 140 Broadway, N.Y.C. and furnished the agents with transcript thereof from June 4, 1936 to September 22, 1939. The checking account of WALTER A. JONES was opened on January 15, 1923 with a deposit of $29,083.33, at which time WALTER A. JONES was President of the U. S. Sheet and Window Glass Company of Columbus, Ohio. He was introduced at the bank by WILLIAM FORD, a depositor of the Guaranty Trust Company. This account has remained inactive since 1930 and reflected a credit balance of $1.05 from this time until June 4, 1936, when a deposit of $25,040. was made.

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This account has been very active since this time and reflects large deposits. The Guaranty Trust Co. has sent its representatives to its warehouse to obtain the deposit tickets covering all deposits made from June 5, 1936 up to an including September 7, 1939. These deposit tickets will be made available for agents Parkhurst and Genau on Monday, September 25, 1939, at which time they will be analyzed to determine the source. A couple of deposit tickets on file at the bank reflected that checks of WILLIAM RHODES DAVIS were deposited to the account of WALTER A. JONES. A complete report on the deposits of WALTER A JONES' account will be prepared immediately after the examination.

The file of WALTER A. JONES with the Guaranty Trust Company of New York also reflected that in March 1937, MR. JONES resided at 2325 Wyoming Avenue, N.W., Washington, D. C.

The credit files of the Guaranty Trust Company of New York which contain information concerning W. R. DAVIS and the FOREIGN OIL CO. INC. were examined and found to contain considerable information in a form of reports from credit agencies, newspaper clippings and from other sources, which have already been obtained and set forth in report Walter J. Higgins, Special Agent, dated at N. Y. C. September 22, 1939, and in this report. Information in such files not already reported, is as follows:

On September 27, 1924, a correspondent bank of the Guaranty Trust Company of New York located at El Dorado, Arkansas, declined to lend W. R. DAVIS and J. R. McCOY, $45,000 on collateral security of 500 shares of stock of the EXCHANGE BANK & TRUST CO. of El Dorado, Ark. DAVIS is a director and McCoy is President of that bank.

The file of W. R. DAVIS contains a carbon copy of a letter dated August 26, 1930, addressed to VICTOR E. GOTHE, P. O. Box 648, Caracas, Venezuela, in a reply to an inquiry concerning DAVIS, said letter stating that hearsay information indicated that Germans first had the concession which was later taken over by an American named LEE, and subsequently taken over by DAVIS, involving the building of a railroad by the concessionaire from the Pacific

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Ocean to the interior of Peru. Said file contains a carbon copy of a letter dated August 26, 1930, addressed to WALTER A. JONES Rowlands Building, Columbus, Ohio, making reference to the letter to the friend in Venezuela, about an oil matter. Said file contains a clipping from the New York Times dated September 22, 1938 which is mentioned in reference report of Special Agent Walter J. Higgins,dated at New York City September 22, 1939, Page 30. It is noted that the said clipping states that after the confiscation by the Mexican government of the oil properties, it was announced that DAVIS had accepted one million and eighty (1,000,080) barrels of Mexican oil in part payment for pipe and machinery sent to that country from Germany; that last July (1938), it was announced thatDAVIS contracted for $10,000,000 of oil to be paid 40% in cash and 60% in commodities. Said clipping states that the Pan Handle Producing and Refining Company contracted with the Martex Oil Co. a Maryland corporation, to resell to it, $300,000 worth of steel goods in order not to over expand its steel inventory; the result of the transactions with Pan Handle being that Pan Handle Producing & Refining Co. showed an increase in inventory of $600,000,370 and an increase in capital of $253,450, and an increase of capital surplus of $346,920.

Said file contains a carbon copy of a letter dated February 24, 1938, from J. L. CLEVELAND, Jr., Vice-President, to R. B. McPHERSON, Vice-President of the First National Bank of Shreveport, Shreveport, La. in reply to an inquiry about DAVIS & CO. which letter states in part that financial details concerning DAVIS & CO. have not been supplied, but, "we are told that subject has equities and investments in several companies operating properties in Mexico, Germany and the United States, representing an investment of more than $10,000,000, and DAVIS personally is believed to be worth in excess of $2,000,000."

Said file contains a report from PROUDFOOT'S COMMERCIAL AGENCY dated February 11, 1937, which lists the officers and directors of DAVIS & CO. as follows:

WILLIAM R. DAVIS -President
PIERCE D. WATSON - Vice President and General Mgr.
CARL F. VonCLEMM - Vice President
AUSTIN TAYLOR - Vice President
JAMES LEE COFFMAN, Secretary
W. W. VanALLEN - Treasurer
MORRIS GEYE - Ass't. Treasurer.

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Said report states that PIERCE D. WATSON has been with the Davis interests about one year and previously was with various oil companies.

Said file indicates that on June 18, 1938, Investigation was made for BANCO NAZIONALE di CREDITO, which indicated that W. R. DAVIS, a utility broker, had an office at 17 State St. New York City; that Mr. FISHER, the renting agent of CHESEBRO BUILDING, furnishediformation that DAVIS occupied room #808 and pays his rent promptly; that he was intermediary in the consolidation of the ARKANSAS POWER & LIGHT CO. which concerned the CITY SERVICE CO. and another organization. Said report to the BANCO NAZIONALE di CREDITO contained information obtained from SIR JAMES CURRIE of the LAGO OIL & TRANSPORT COMPANY which indicates that DAVIS is a self made man who was born and educated in Tulsa, Oklahoma but who received some education at Annapolis. It is noted that this is the first reference made indicating that DAVIS attended Annapolis.

The said file indicates that on May 27, 1938, an investigation was made for the Guaranty Trust Company of New York in response to an inquiry from WALTER A. JONES, Mayflower Hotel, Washington, D. C. The substance of the information resulting from this investigation did not contain any facts not previously submitted in reports of the New York Bureau Office. The said file indicatesthat on August 2, 1937, an investigation was conducted by the Guaranty Trust Company for the First National Bank of Fort Worth, Texas, which did not set forth facts not already obtained. The file likewise indicates that an investigation was made December 6, 1937, for the WHITNEY NATIONAL BANK of New Orleans, La. and on January 22, 1938, an investigation was made for the file. The latter report indicates that MR. GANNON, Assistant Manager of the Foreign Department of the Chase National Bank, informed that he was out of touch with DAVIS or any of his companies; that " it is my understanding that Mr. Davis together with the Shell people ~~of~~ have a "stranglehold" on the importation of gasoline and oils into Germany. "

The file of the Guaranty Trust Company of New York on the FOREIGN OIL CO. INC. 1 Federal St. Boston, Mass. contains a letter dated October 4, 1934, addressed to FELIX FRASCA, National Institute of Exchange, 70 Pine St.,New York City, which letter furnishes information already obtained by Bureau agents from other sources.

The above information has been set forth, as it is believed that the persons and concerns making inquiries of the Guaranty

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Trust Company may have obtained additional information from other sources which has not as yet been covered by Bureau agents, and it may be advisable to contact or communicate with such persons and concerns.

The section of the file of the Guaranty Trust Company of New York concerning the Foreign Oil Co. Inc., labeled "Special Information" under date of May 26, 1937, contains certain information with reference to DAVIS & CO. and WILLIAM RHODES DAVIS which is as follows:

"Sometime ago the First National Bank of Boston made a substantial loan to a company, owned by DAVIS, but insisted that three men living in Mexico City, all lawyers, one a Mexican and the other two Americans, be made directors of a company during the life of its loan; that loan has been paid off and there is nothing further pending at this time."

If investigation by the Boston Field Office at the First National Bank of Boston, fails to disclose information concening the persons who the First National Bank of Boston insisted become directors of the Davis owned company during the duration of its loan, it issuggested that the officers of the said bank who approved the loan and imposed such requirements be interviewed, if their names can be learned.

The file of the Guaranty Trust Company of New York with reference to W. R. DAVIS contained a newspaper clipping from the New York Journal-American, dated January 25, 1939, under the heading: "BEHIND THE NEWS" by Paul Mallon, which relates to "how Mexico trades confiscated oil to Herr Hitler". Said newspaper clipping makes reference to a letter sent to a Senator on the Foreign Relations Committee by an acting Division Chief, which letter set forth that the first deal between President Cardenas and Hitler through W. R. Davis, called for the Mexican government to take two million dollars worth of irrigation equipment from Germany; that the oil credit for the transaction is presumed to have been completed, and additional credits are contemplated for other materials as soon as Mexico's sale of oil from expropriated American properties warrants them. The contract which DAVIS signed with the Mexican government provided for

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the purchase of 19,000,000 barrels of oil in 1939, for which DAVIS will pay $15,000,000 in material credits. A photostatic copy of said newspaper clipping from the New York Journal-American is being attached to the original copy of this report forwarded to theBureau. A photostatic copy thereof, is being retained for the New York Division file.

The said files of W. R. DAVIS with the Guaranty Trust Company of New York contain a newspaper clipping from an unidentified newspaper, dated February 1, 1939, which is an article written by H. R. KNICKERBOCKER, National News Service Staff Correspondent, which is headed, "See 'Dynamite' in U.S.Oil Note". This newspaper article refers to an unpublished note of the American government addressed to the Mexican government immediately after the expropriation of the oil properties valued by their American owners at $2,000,000. A photostatic copy of this news article is being attached to the original copy of this report for the information of the Bureau. A photostatic copy thereof, is being retained for instant case file in the New York Division Office.

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The following investigation was conducted by Special Agents W. Y. Humphreys, and D. B. Hickman, at New York City on September 21, 1939.

The agents went to the office of Dun & Bradstreet and checked their records relative to DAVIS & COMPANY, INC., 30 Rockefeller Plaza, New York City, and all affiliated and associated companies, and the following information was obtained from these records.

In report dated June 8, 1939, the following information was on record concerning DAVIS & COMPANY, INC., 30 Rockefeller Plaza, Room5438, New York City: A Nevada Corporation, a holder and managing company. Officers: - WILLIAM RHODES DAVIS, President, PIERCE B. WATSON, Vice President and General Manager, AUSTIN B. TAYLOR, Vice President, NILES V. HANSELL, Vice President, HENRY W. WILSON, Vice President, ARTHUR L. HOBSON, Vice President, W. W. VAN ALLAN, Vice President, MORRIS GEYE, Treasurer, WILLIAM C. BLIND, Secretary. Directors - WILLIAM C. BLIND, WILLIAM RHODES DAVIS, MORRIS GEYE, NILES B. HANSELL, W. W. VAN ALLAN, PIERCE B. WATSON, and HENRY W. WILSON.

This is a Nevada Corporation organized June 3, 1936 with a capital stock of $500,000.00 to carry the activities of the Massachusetts Corporation by the same name, which Massachusetts corporation was chartered in 1933 with head offices located at 131 State Street, Boston, Massachusetts. This Massachusetts corporation was originally organized by DAVIS. In the Nevada Corporation, DAVIS is the principal in interest according to PIERCE B. WATSON, Vice President, and General Manager of the company, who declined to state how many shares DAVIS held. There was a notation in the record that the home of Subject DAVIS is located at 2 Cooper Road, Scarsdale, New York, and was purchased by his wife, MARIE MATHILDA TOMKUNAS DAVIS for the sum of $95,000.00 which sum was furnished by W. R. DAVIS to his wife to make this purchase.

The Crusader Petroleum Industries Ltd. was chartered in Great Britain on November 28, 1935, with an authorized capital of $500,000.00. HENRY W. WILSON is the managing director of the Crusader Petroleum Industries, Ltd., and an attempt was made by this company to acquire the interest of the Foreign Oil Company, which interest was located in the British Island and Europe. HENRY W. WILSON agreed to advance $75,000.00 to the Crusader Petroleum Industries,

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as a fund for acquiring the interest of the Foreign Oil Company for the consideration of 49,997 shares of the Crusader Petroleum Industries, Ltd. stock.

On December 18, 1935, WILSON transferred 29,999 shares to W. R. DAVIS, however, on January 14, 1937, the Official Registry of Joint Stock Companies, showed 49,996 shares of Crusader Petroleum Industries, Ltd., as being held by the large bank (39 Threadneedle Street, Nominees Ltd). The original authorization of the Crusader Petroleum Industries, Ltd., was 50,000 shares.

W. R. DAVIS is President of the Foreign Oil Company. There was a suit filed against W. R. DAVIS and HENRY W. WILSON of the Foreign Oil Company on June 29, 1938, in the English Courts, Kings Bench Division by FREDERIK GLAD and AKLIESELSKAVET GICA (in liquidation) Copenhagen. During the course of the trial of this suit, it was revealed that the Foreign Oil Company still had assets consisting of Mexican Oil property amounting to ten million dollars. The Nicaraguan Oil Company, a subsidiary of the Foreign Oil Company is 95% owned by the Foreign Oil Company.

MALCONA CORPORATION, Tulsa, Oklahoma was stated to be out of business at the date of this report.

The MERAUX TERMINAL CORPORATION, Meraux, Louisiana, was incorporated under the Louisiana laws on April 13, 1937, with an authorized 50,000 shares of no par value of common stock, and all issued, valued at $2,000.00 and 200,000 preferred; $97,000.00 paid in at the time of the incorporation. This company is engaged in the storage of oil on a fee basis. Most of the oil comes from DAVIS & COMPANY, INC., and the company is said to have a debt of less than $40,000.00.

The CALIFORNIA CRUSADER PETROLEUM, INC. is a Delaware Corporation not active at the date of this report. This company holds thirty-five leases on 3,500 acres of undeveloped oil land in California as assets.

The DAVCOM SA, is a Mexican Corporation incorporated May 25, 1937, with a capital stock of $150,000.00 paid in. The main office is located at Tampico, Mexico. This company is engaged in

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selling drilling tools and other oil well equipment. It buys and sells crude oil and operates transportation equipment. Oil producings in Mexico by the DAVIS & COMPANY interests are said to be sold to DAVCOM SA who arrange transportation of this oil to foreign countries.

CRUSADER PETROLEUM INDUSTRIES, LTD, is a corporation of Great Britain incorporated on November 20, 1935, with an authorized 50,000 shares at one pound per share, all paid in at the start. The main offices of this corporation are located at St. Helensplace at Bishopgate, London, England. This corporation is solely a holding company and has three subsidiaries which are as follows:

EUROPAISCHE TANKLAGER & TRANSPORT A. G., a German corporation organized in 1931 with an authorized capital of Reich marks, two million, four hundred thousand. This corporation has a refinery at Hamburg, Germany and obtained its crude requirements from DAVIS & COMPANY, who obtained themfrom Mexico. This company makes sales throughout Germany, Italy, and Scandinavian countries. Distribution in Sweden and Denmark is through the SKANDIATANK.

Additional information concerning this company which was obtained from another report, will be set out later in this report.

The MAR-TEX OIL COMPANY, a Maryland concern, was incorporated December 31, 1938, and has a net worth of one million seven hundred twenty-five thousand, thirty-two dollars. This company is stated to have large liabilities. DAVIS & COMPANY, INC. is stated to have stock in this company ranging between twenty-five and forty percent.

DAVIS & COMPANY, INC. is also stated to have a 50% stock interest in the SABALO TRANSPORTATION COMPANY, SA of Tampico, Mexico, which company operates tug boats and barges, and also operates producing oil wells. It is also stated tosell oil and field equipment. On July 21, 1936, this company is stated to have a capital and surplus of seven hundred forty-one thousand, six hundred and ten dollars and moderate indebtedness.

The present DAVIS organization, that is, the Nevada Corporation, dates back to 1933, when the DAVIS interests are reported

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to have negotiated a large loan to build a refinery at Hamburg, Germany. Later, the Nevada Corporation, which carried onthe activities of the Massachusetts Corporation originally incorporated in 1933, further expanded activities through bank loans reported to run well into seven figures. However, at the time of this report, the amount owing was said to have reduced, and to be in the vicinity of one million dollars. The relationship of the Foreign Oil Company with the DAVIS COMPANY, INC., was stated to be not clearly defined.

HENRY W. WILSON, Vice President furnished the following informationto Dun & Bradstreet concerning the setup of DAVIS & COMPANY, INC. He stated that DAVIS & COMPANY, INC., has six subsidiaries. They are wholly owned; four are directly owned and two indirectly. The four directly owned subsidiaries are the MERAUX TERMINAL CORPORATION, the DAVCOM SA, The CALIFORNIA CRUSADER PETROLEUM INC., and the CRUSADER PETROLEUM INDUSTRIES, LTD. The latter company in turn continued to have two subsidiares, the EUROPAISCHE TANKLAGER UND TRANSPORT AG, and the SKANDINAVISKAKA TANK & MINERALOLJE AKTIEBOLAGET "SKANDIATANK".

PIERCE B. WATSON, the Vice President and General Manager of DAVIS & COMPANY, INC., has been in such capacity since July, 1938. For six years previous to this, he was sales executive of the Tidewater Oil Company.

AUSTIN B. TAYLOR, Vice President is the company attorney and field manager for operations in Texas.

NILES V. HANSELL is in charge of engineering operations.

HENRY W. WILSON, Vice President is in charge of finances, and has been with DAVIS since 1933.

ARTHUR L. HOBSON, Vice President is also a director of the Foreign Oil Company.

W. W. VAN ALLAN, is the office manager.

MORRIS GEYE is the Comptroller.

WILLIAM G. BLIND Secretary, is also an attorney, and is a partner in the KAUFFMAN, TUTTLE, & McCARTHY law firm of 40 Wall Street, and 30 Rockefeller Plaza, New York City.

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The only banks mentioned in the report of Dun & Bradstreet as being industries where DAVIS & COMPANY possibly did their banking were the Chase National Bank, Rockefeller Branch, New York City, and the First National Bank, Boston, Massachusetts.

The following investigation was conducted, and is being reported by Agent D. B. Hickman.

At the office of Dun & Bradstreet the file on the Parent Petroleum interests, Lt., was checked. It was noted that this company is a private company, registered April 6, 1936, to acquire mines or concessions or any petroleum, oil or coal bearing or any METALLIFEROUS lands in any part of the World, and generally to deal in minerals, crude refined oils and spirits, et cetera. The registered capital at the time of organization was two million, five hundred thousand pounds. The capital stock was divided in one pound shares.

The directors, as listed in a London Financial Press in May, 1936, were THOMAS C. J BURGESS, and WILLIAM RHODES DAVIS.

The same press notice contained information that the company had issued one million, two hundred fifty thousand shares of stock, five hundred of which were allotted to DAVIS and four hundred ninety nine thousand, nine hundred ninety eight of the remaining shares were allotted to the Lloyds Bank and two hundred fifty thousand shares tothe National Bank of Scotland (London Nominees), and that the stock was paid for in cash.

The home offices of the company in 1936 were in the Brettenham House, Lancaster Place WC 2, London, England, and were in fact in the offices occupied by the Crusader Petroleum Industries, Ltd., a newly formed company, registered November, 1935, to carry on a similar type of business.

The report dated June 22, 1936, at Dun & Bradstreet from which the above information was taken reflects that that company had been unable to ascertain any definite information regarding the business objectives of the Parent Petroleum Interests, Ltd.

A report contained in the files of Dun & Bradstreet, under date of July 10, 1937, reflects the home office of the Parent Petroleum Interests, Ltd., as being 9 St. Helensplace, London, England,

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and further reflects that on February 26, 1937, the capital stock increased to four million, five hundred thousand pounds, and that four million, four hundred seventy-two thousand, six hundred thirteen shares of stock, each in the amount of one pound, had been allotted for cash.

The directors as of this date were WILLIAM RHODES DAVIS, THOMAS C. J. BURGESS, and RIGHT HON. LORD IVERFORTH, the latter being a well known English industrialist.

Lloyds Bank (39 Threadneedle Street), nominees ltd. held one million, one hundred fifty-four thousand, five hundred sixty-eight shares, the National Bank of Scotland, London nominees, ltd., 37 Nicholas Lane, five hundred seventy-seven thousand, two hundred eighty five shares, Lloyds Bank (Colonial and foreign) nominees ltd., 80 Grace Church Street, six hundred seven thousand, one hundred and three shares, Gibralter Securities, Ltd., 74 Main Street, one million shares, MANSELL C. POWELL, 29 Great St. Helens, one share, and HENDY C. BLACKBORO, 29 St. Helens, one share.

The report reflects that T. C. J. BURGESS, is a director, a chairman, and joint manager director of the London & Thameshaven Oil Wharves, Ltd., and is on the Board of Directors of several other companies.

W. R. DAVIS, a director, is reported to be on the Board of Directors of the Crusade Petroleum Industries, Ltd., and Right Honorable Lord IVERFORTH is President of Cable and Wireless Holdings, Ltd., British Union Oil Company, Ltd. (Chairman), ANGLO-BURMA RICE COMPANY, LTD. (Chairman), and also on the Board of Directors of numerous other companies.

The report reflects that Parent Petroleum Industries, Ltd., is a private British company, and the financial statement was unobtainable.

The report in the files of Dun & Bradstreet under date of July 29, 1938, reflected that on February 24, 1938, the Parent Petroleum Industries, Ltd., registered a one hundred thousand pound charge secured on debt owing to the company by the Irish National Refiners, Ltd., Dublin, Ireland, amounting to two hundred ninety-six thousand, four hundred eighty three pounds; that the mortgagor was the LONDON & THAMESHAVEN OIL WHARVES, LTD.

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The report reflected that early in July, 1938, certain changes were made in the Board of Directors, WILLIAM RHODES DAVIS having resigned from the Board, July 14, 1938, at which time A. E. SAWDY was elected.

The report reflected that Parent Petroleum has a subsidiary concern, namely, The Crusader Petroleum Industries, Ltd., which was formed October 12, 1937, with a capital stock of fifty thousand pounds, and that this company is engaged in the distribution of petroleum products; that at the time DAVIS resigned from the Board of Directors of the Parent Petroleum Industries, Ltd, namely, July 14, 1939, he took over the Crusader Petroleum Industries, Ltd., in which Parent Petroleum is no longer interested.

The report reflected further that DAVIS no longer has a financial interest in Parent Petroleum Industries, Ltd.

According to the above report, Parent Petroleum at this date was chiefly engaged with financing of the Irish National Refiners, Ltd., with offices at Dublin, Ireland, a company which was formed to establish a large refinery and distribution organization in Ireland.

The bankers for the Parent Petroleum Industries, Ltd, was reflected as Lloyds Bank, Ltd., Lombard Street, E.C. 3, London, England.

Report dated December 15, 1938, reflected that THOMAS C. J. BURGESS had retired from the Board of Directors, and that his place had been filled by HENRY JOHN FISHER, the company's solicitor. The directors as of this date were FISHER, Lord IVERFORTH, and A. E. SAWDY.

The report also reflected that the following persons had been directors for the Parent Petroleum Industries, Ltd., but had resigned on the following dates.

LANGDON DEARBORN, resigned February 2, 1938
N. O. HANSELL, resigned February 2, 1938
W. R. DAVIS' resigned July 14, 1938
THOMAS C. J. BURGESS, resigned October 27, 1938.

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The report reflected that an individual named A. B. TAYLOR had been elected a director of Crusader Petroleum Industries, Ltd., and that this person was not known in England Oil circles, but that he may be a respresentative of the First National Bank of Massachusetts, his address being 20 Morton Street, Newton Center, Massachusetts.

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According to the "Petroleum Times" of London, England, dated February 25, 1939, the following were the principal stock holders in Parent Petroleum Interests, Ltd., as of December, 1938: Gibralter Securities, 1,613,575 shares; Lloyds Bank, Nominees, Ltd., 39 Thread Needle Street, London, England, 1,154,568 shares; Lloyds Bank, Nominees, Ltd., (Colonial and foreign) 1,070,183 shares; National Bank of Scotland, London, Nominees, Ltd., 597.285 shares.

The following information was taken from the files of Dun and Bradstreet, the same having been furnished to them by their London office after having been copied from the WORLD PETROLEUM REGISTER under letter dated August 24, 1939.

Parent Petroleum Interests, Ltd., was formed April 6, 1936. A. E. SAWDY, LORD IVERFORTH, and H. J. FISHER are the present directors; capital stock issued, 4,472,613 shares each with a value of one pound of which the London and Thames Haven Oil Wharves, Ltd., paid 1,180,121 pounds for a forty per cent share holding; 1,612,575 pounds of the capital represents fully paid shares issued for part payment of a five per cent interest in Sabalo Transportations, S. A., on an oil concession in the Poza Rica field, Mexico; a seventy-five per cent interest was also purchased in the Tusapan, a company owning oil leases at Ojitae, Mexico. These two properties in Mexico, however, were reported to have been confiscated by the Mexican Government before drilling was started and this confiscation was under a decree dated March 18, 1938. A further sum was invested in Crusader Petroleum Inc., a Delaware corporation and in Crusader Petroleum Industries, Ltd. Deals for the oil properties in Mexico were negotiated by W. R. DAVIS who held forty per cent of the capital or 1,074,000 shares, each in the amount of one pound. LORD IVERFORTH owns the remaining 60 per cent of the shares in the Parent Petroleum Interests, Ltd., for which he paid $577,000 in cash.

Through further investments Parent Petroleum Interests holds interest in the Irish National Refineries, Ltd., and took over from the London and Thames Haven Oil Wharves, Ltd., the liability to construct a 3,500,000 barrel refinery at Dublin, Ireland, which plant Davis agreed to finance but the funds failed to mature. The crude oil property investments of the company were made for the purpose of providing supplies for the Dublin refinery when completed.

THOMAS C. J. BURGESS, the Chairman of the London and Thames Haven Oil Wharves and of the Parent Petroleum Interests, Ltd., with LORD IVERFORTH initially controlled Patent Petroleum Interests ~~and~~ through a voting trust which was dissolved and at that time control passed to W. R. DAVIS for the period of October, 1937, to June, 1938. In the latter month, the principal share holders acquired all foreign share holdings from Davis for a sum reported to be in excess of 2,500,000 pounds regardless of the unfavorable Mexican outlook and Davis retired

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from the Board of Directors. Davis is reported to have purchased back from the Parent Petroleum Interests, Ltd., the Scandanavian and German Marketing and refining interests of the Crusader Petroleum Industries, Ltd. Davis also relinquished his interest in Crusaders Petroleum, Inc., and procured the holders of 1,613,575 Parent Petroleum Interests shares, issued in part payment to the vendors of the Mexican investments to do the same. Davis, however, retained a 2/5 holding in the Parent Petroleum Interests, Ltd., Mexican assets. Thus, 2/3 of Parent Petroleum Interests, Ltd., now is held by London and Thames Haven Oil Wharves. On October 10, 1938, BURGESS retired from the Boards of both the Parent Petroleum interests, and London and Thames Haven Oil Wharves Ltd.

The file at Dun and Bradstreet reflected that the above information was secured from the "World Petroleum Register", 20th Edition, page 964.

The following, according to the files at Dun and Bradstreet is a copy of a clipping from the "London Daily Telegraph," October 18, 1938.

An American promoter, MR. W. RHODES DAVIS of New York was described as an "unscrupulous and ruthless financier" by JUSTICE LEWIS in the Kings Bench Division after judgment was given in an action which occupied 24 days.

Witnesses came from New York, Berlin, Hamburg, and Copenhagen.

The action was brought by CARL FREDERIK GLAD and AKTIESELSKABET GICA of Copenhagen, a company in liquidation. They made allegations of conspiracy to defraud against DAVIS and HENRY WARREN WILSON, Financiers of New York, also connected with the Foreign Oil Company, Inc., of Boston, Massachusetts, and Crusaders Petroleum Industries, Ltd., of St. Helens Place, Bishopsgate, London, England.

MR. GLAD, a Dane and owner of the Gica Company alleged that the defendants induced him to enter into a release of a substantial arbitration award obtained by him and the Gica Company in Berlin, Germany, in 1935 against the Foreign Oil Company, Inc., for breach of a contract concerning Petrol supplies.

Breach of another contract signed at Dorchester in December, 1935, also was alleged by Mr. Glad.

MR. JUSTICE LEWIS said that in the witness box, MR. DAVIS was overbearing. He could not accept him as a witness of truth.

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"I find" said his Lordship, "That Wilson and Davis were guilty of conspiracy to defraud the plaintiff of arbitration award and defendants are held for damages." JUSTICE LEWIS also found that there had been a breach of contract in London, December, 1935.

The files of Dun and Bradstreet were checked regarding the following company located at Hamburg, Germany; Europaeische Tanklager and Transport Aktiengeseilschaft, No. 6 Esplanade, Hamburg, Germany.

Report in the file on this company dated January 24, 1934 reflected that the above company have a joint stock company registered May 18, 1934 with headquarters at Berlin, Germany and with an authorized capital stock of 5,000,000 Reich marks and that the management at that time was in the hands of DOCTOR HERMAN LEISING.

The report reflected that the company had installed various storage tanks at Wilhemshaven, Germany and other points with a total capacity of 60,000 tons and in Hamburg with a capacity of 20,000 tons and at Spandau, tanks were installed with a capacity of 3,000. The company also was reported to control a large number of tank cars.

The report reflected that the NITAG NAPTHA INDUSTRIE and TANKENLAGEN, A. G., had invested 1,000,000 reich marks in this company and that other shares were in the hands of the banking house of HARDY AND COMPANY, Berlin, Germany, which maintains close relations with the DRESDNER BANK in which the German Government is interested. The following are listed as Directors: DOCTOR CHARLES HARTUNG; DOCTOR FREDERICH EICHBERG, and DOCTOR WERNER VOGEL.

DOCTORS LEISING, the manager, and HARTUNG are interested in Hardy and Company and Doctor Vogel is a member of the Board of Directors of DEUSCHEN KREDIT and HANDELS, A. G.

Instant company is reported to control practically all shares of "DEBAG" DEUTSCH BETRIEBASTOFF, A. G., Berlin, Germany, which company operates with a capital of 590,000 Reich Marks and is engaged in importing various materials, etc.

Instant company, as of December 31, 1932, was reported to have assets in the amount of 3,154,184.60 Reich Marks.

A report in the files of Dun and Bradstreet, dated February 25, 1935, reflected that in 1934, the capital authorized

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stock of instant companywas increased to 5,250,000 Reich Marks. There was no change in the Board of Directors but the report reflected that MILES V. HANSELL was assisting DOCTOR LEISING in the active management of the company.

According to this report, since 1934, instant company has come under the control of a new group of financiers headed by W. R. DAVIS and further that the NITAG NAPTHA INDUSTRIES and TANKANLAGEN, A. G., had disposed of its shares, an investment of 100,000 Reich Marks to Davis and his group.

The Davis group, according to the report had also interested itself in Naptha Industries and Tankanlagen, A. G., one of the principal share holders in instant company. NITAG and NAPTHA are represented on the Board of Directors by LEISING and MILES V. HANSELL. NITAG has an authorized capital stock of 5,600,000 Reich Marks.

Instant company is interested primarily in storage and transportation of oils.

Report in the file of Dun and Bradstreet, dated November 29, 1938, reflected that instant company is interested in the transportation and importation of oils, petroleum, etc., and supplies a refinery in the Free Harbor of Hamburg, Germany, which has an annual production of 400,000 tons. The company is reflected as having large tank and storage facilities, the construction of which is understood to have cost 8,000,000 Reich Marks, financed by German and American capitalists. The American group headed by W. R. DAVIS of Boston, Mass., later turned over their shares and interests in Europaeische Tanklager and Transport Akleingesilschaft and Interests for the Crusader Petroleum Industries, Ltd., London, England.

The Crusader Petroleum Industries, Ltd., is now looked upon as controlling the majority of shares of the above concern. The German group headed by the Berlin Banking House of Hardy and Company which in turn is closely allied with the Dresdner Bank, is one of the most prominent banks in Germany.

Instant company is affiliated with the German Oil Syndicate as well as being interested in the Nitag. Instant company is also interested in the EUROTANK HANDELSGESELLSCHAFT, M.B.H., which concern is principally engaged in looking after the compensation transactions of the instant company. DOCTOR LEISING is one of the business managers of the EUROTANK COMPANY.

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The report dated November 29, 1938, reflected that although a financial statement of the company had been requested, none was forthcoming, further that authorities of the company when questioned, reported a net profit for the year 1937 of 108,000 Reich Marks; also a legal reserve fund of 46,000 Reich Marks and other reserves of2864,000. The report reflected that the financial condition of the company is not questioned and enterprises with the largest means are interested in the company.

The files of Dun and Bradstreet reflected that instant company as of December 31, 1933 owned assets in the amount of 7,708,381.71 Reich Marks and among these assets were the following items:

Tank plant	319,832.90	Reich	Marks
Refinery construction	257,822.29	"	"
Tank vessels and so forth	463,487.56	"	"
Raw materials	3,523,348.83	"	"

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On September 23, 1939, telephonic authorization was given to Special Agent in Charge P. E. FOXWORTH by MR. E. A. TAMM of the Bureau to obtain full information regarding the incoming and outgoing telephone calls of ERNA F. WEHRLE of 30 East 68th Street, New York City.

Immediately upon receipt of the above authorization, appropriate arrangements were made to obtain this information, and this operation is still in progress, and the results of the same will be reported to the Bureau in the near future.

The reference Bureau letter of September 22, 1939, which enclosed copies of a confidential communication from an official of the State Department dated September 21, 1939, requested that a most discreet surveillance be conducted concerning MISS ERNA F. WEHRLE. This operation was immediately put into effect, and is still being conducted. The results of the same will be reported to the Bureau in the near future.

The above mentioned letter contained photostatic copies of documents in the passport file of MISS WEHRLE upon which a passport was issued on June 30, 1939, and a brief summary of the history contained therein as executed by MISS WEHRLE is as follows:

ERNA FRIEDA WEHRLE was born at Grand Rapids, Michigan, on January 9, 1911. Her father, FRANK XAVIER WEHRLE was born at Baden, Germany on December 3, 1871, and now resides at Thomaston, Connecticut. MISS WEHRLE gives her permanent address as Litchfield Street, Thomaston, Connecticut, and states that she has not been naturalized as a citizen of, or has not taken an oath of allegiance to, any foreign state.

Further information contained in this document reflects that MISS WEHRLE has taken five trips to Europe, each of about one month's duration; that her father emigrated to the United States in 1902; that he has resided in the United States continuously, and was naturalized at Waterbury, Connecticut on December 15, 1920 in the Federal District Court. MISS WEHRLE indicated that she intended to sail from New York on July 7, 1939 aboard the S.S. EUROPA, and intended to visit England, France and Germany for the purpose of "visiting". She requested that her passport be mailed to her in care of DAVIS & COMPANY, INC., 30 Rockefeller Plaza, New York. She describes herself as being:

5' 7"
Black Hair
Brown Eyes
Occupation: Secretary

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On an application for renewal of her passport, upon which Passport #223,492 was issued on July 2, 1935, MISS WEHRLE gave her address as 410 Park Avenue, New York City. She indicated that she intended to sail from New York City on July 6, 1935 on the S.S.BREMEN. She further indicated that she resided in Germany from June 1928 to June 1929.

Special Agent F. X. O'DONNELL conducted the following investigation:

State Senator PLINY W. WILLIAMSON of Westchester County, himself a resident of Scarsdale, stated that while he knows who DAVIS is, he knows him only as a commuter to Scarsdale from New York City, never having personally met him. Through contacts of his own the Senator, however, gathered the following information:

DAVIS has been married three times. Some years ago he bought what was known as the KELLY house from the Chase National Bank as trustee for the KELLY estate, and an additional piece of property with it, all of which is assessed at $114,800.; apparently more than $95,000. cash was paid in the transaction. The house that he owns is considered conservatively the third best house in that section of Westchester, and is located in the Murray Hill section of Scarsdale, very near the border line of Hartsdale. Other than that, the neighborhood, the Senator said, knows very little about him or his personal affairs.

The following information, also secured by Agent O'DONNELL, was obtained confidentially from WALLACE PRATT, member of the Executive Committee, Standard Oil Company of New Jersey concerning DAVIS:

Subject, whose full name is WILLIAM RHODES DAVIS, is 50 years of age and started his business life as a railroad engineer and master mechanic for a railroad, at which occupation he continued until 1915, when he entered the oil field on his own account as a prospector. In 1922, he formed an association with BENEDUM & TREES of Pittsburgh, Pa. In 1925, he came to New York at a salary of $25,000. a year with the Crusader Petroleum Company and the Crusader Oil Company. About this time he openly boasted that he was now in partnership with HITLER and MUSSOLINI. Shortly after the action upon the part of the Mexican Government of oil holdings of the Standard Oil and Shell and other companies, DAVIS immediately completed arrangements whereby he was able

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to export, principally to Germany, oil obtained from the former possessions of the above named companies. He was able to undersell also the world market 20 to 25 percent on market prices. Payment from Germany to the Mexican government was made in various commodities, rather than cash - some ships and a considerable quantity of pipe of different descriptions. The pipe was converted into cash by Mexico, and DAVIS received his share in cash at the beginning. However, later, when cash became scarce for the Mexican government, he dealt in the disposal of the pipe to obtain his profits. He is the reputed owner of DAVIS & COMPANY, INC., CRUSADER PETROLEUM OIL COMPANY, CRUSADER PETROLEUM, LTD., and the FOREIGN OIL COMPANY. It was through the manipulation of the FOREIGN OIL COMPANY that his business with Germany was carried on.

Some time since March 1938 the Shell Oil Company endeavored to put DAVIS in bankruptcy in England, and on July 1, 1938, DAVIS is said to have been prosecuted in London charged with cheating and defrauding. The outcome of both these court proceedings will be learned later. During the period of his European activities, he organized the Eurotank Company at Hamburg, Germany, and established outlets for his exported oil through various distributors in Denmark, with whom he is said to have had considerable subsequent contractual difficulties. Also as an aid to his European activities, he organized a plant at Thameshaven, England. He is further said to have had dealings with DICK KAHLE of the Eastern States Petroleum Refining Company, to the extent of importing with him Mexican crude oil, refining it in bond, and later exporting it to Europe.

As a partner in his London enterprises, one H. W. WILSON, a banker of New York is mentioned. As solicitors for the London enterprises DAVIS had a firm of SLAUGHTER & MAY of 18 Austin Friars, London E.C., represent him. A subsidiary of his foreign oil company is the Tuxpan Oil Company. Some of his activities in London are said to have been with the British Mexican Petroleum Company, Ltd., in which he appears to have had an interest.

In his foreign business, he is said to have been financed principally by the First National Bank of Boston, and also by the Old Colony Bank of Boston, the former of which appears to have extended large sums of money on credit to DAVIS, same having been secured by his holdings, consisting of producing oil wells in the southwest. DAVIS is said to have been in serious need of funds during the past five years.

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MR. PRATT said that he understood on good authority that DAVIS had left for Europe last Monday on the Yankee Clipper.

The following investigation was conducted by Special Agent J. M. McGRATH:

The New York Times of July 30, 1939 contained an article captioned "Attack on Guffey Stirs Senate Row", which set out that Senator BRIDGES of New Hampshire linked Senator GUFFEY of Pennsylvania to the sale of oil from seized properties in Mexico. The accused Senator called newspaper clippings read on the floor of the Senate "100% false and a malicious character destroying lie".

BRIDGES said that high officials of this administration had "encouraged and even recommended the establishment of Communism in Mexico", and that this had led to the expropriation of American and British properties in Mexico.

The clippings said that SenatorGUFFEY made a trip to Mexico City in 1937 before the seizures, with WALTER A. JONES, a Pittsburgh oil man and that MR. JONES was associated with W. R. DAVIS, a free lance oil operator who was credited with disposing of Mexican oil to foreign interests.

MESSRS. GUFFEY and JONES were reported as having conferred with EDUARDO SUAREZ, Mexican Minister of Finance in a Washington hotel after the properties had been seized.

The charges as noted above were not specifically set out in the New York Times.

* * * * *

In view of the pending nature of this investigation in the New York Field Division, no undeveloped leads are being set forth in this matter, but any leads which appear to be of importance, will be handled as they arise by teletype to the Bureau and respective field divisions. The Bureau is being advised periodically of the various developments as they occur.

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ENCLOSURES TO THE BOSTON FIELD DIVISION

Copy of the report of Special Agent WALTER J. HIGGINS, New York City, dated September 22, 1939, for the aid and assistance of the Boston Field Division in conducting investigation.

ENCLOSURES TO THE BUREAU

Photostatic copy of an article dated January 25, 1939, by PAUL MALLON in the New York Journal and American, in which the name of W. R. DAVIS is mentioned.

Photostatic copy of an article from the Washington Sunday Star, dated August 1, 1937, concerning WALTER A. JONES.

- PENDING -

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FEDERAL BUREAU OF INVESTIGATION

Form No. 1
THIS CASE ORIGINATED AT NEW YORK, NEW YORK N.Y. FILE NO. 65-128 RJA

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
NEW YORK CITY	9/27/39	9/22-25/39	W. J. HIGGINS

TITLE	CHARACTER OF CASE
WILLIAM RHODES DAVIS	ESPIONAGE

SYNOPSIS OF FACTS: [redacted] CONFIDENTIAL

Confidential file of the Shell Oil Company, New York City, concerning DAVIS and his operations photostated and copies forwarded to the Bureau.

- P -

Encl. dictated for Smith's desk memo dated 1-14-40 with same dated 1-16-40

APPROPRIATE AGENCIES AND FIELD OFFICES ADVISED BY ROUTING SLIP(S) DATE 10-3-39

REFERENCE: Teletype to the Bureau dated September 26, 1939.

DETAILS: AT NEW YORK CITY

Special Agent F. X. O'DONNELL contacted MR. H. WILKINSON at the Shell Oil Company, New York City, in the interests of this investigation and MR. WILKINSON furnished Agent O'Donnell with the confidential file of the Shell Oil Company concerning WILLIAM RHODES DAVIS for the purpose of having the same photostated.

enclosure filed on last page next to the O.G. file

It will be noted that MR. WILKINSON, in furnishing this confidential file to Agent O'Donnell requested that the

RECEIVED FBI 1939 OCT 2 11 12 AM U.S. DEPT. OF JUSTICE

APPROVED AND FORWARDED: P. E. Foxworth SPECIAL AGENT IN CHARGE

DECLASSIFIED BY 2909 DPS/dlf ON 4-10-78

DO NOT WRITE IN THESE SPACES

65-1168-4

OCT 3 1939

COPIES OF THIS REPORT
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3 - New York

RECEIVED-DIRECTOR FBI 1939 OCT 3 10 23 AM

cc Mr. Kunkel 12-27-40 J.R.L.

3 copies filed

OCT 3 P.M.

U. S. GOVERNMENT PRINTING OFFICE 7—2034

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furnishing of this information be held in the strictest confidence by the Bureau and he was advised that the same would be done.

This confidential file of the Shell Oil Company consists of a history of subject DAVIS which is separated into three sections as follows:

1. Commercial career prior to 1934.

2. 1934 to early 1938, being the period during which his connections with Europe were developed, through release of blocked German currency, and culminated in the failure of all European ventures except his Eurotank refinery connections in Germany, still operating with frozen currency. In respect of the latter it was well known in Germany that even the Eurotank operations were hopelessly insolvent but their existence was prolonged through Mexican developments which are covered in Section III.

3. 1938 to date, showing how the expropriation of the oil companies in Mexico provided Davis with a new source for his operations in the development of barter deals between Germany and Mexico.

MR. WILKINSON also furnished a summarized account of the export shipments made by W. R. DAVIS & COMPANY, apparently all destined for Germany. This account reflects that in the month of August, 1939, DAVIS' export shipments to Germany totaled $848,514.03. Also included in this summary is a grand total of Davis' export shipments from March 19, 1938, to date reflecting that they amounted to $11,348,096.95.

Photostatic copies of this summary are being forwarded to the Bureau herewith. A copy of the same is being retained in the files of the New York Field Division.

Included in the confidential files of the Shell Oil Company was a dossier of newspaper clippings covering the past two years which refer to Davis and his operations.

Photostatic copies of all of the above exhibits found in the confidential files of the Shell Oil Company have been made

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and two copies of the same are being forwarded to the Bureau herewith.

A photostatic copy of each exhibit is also being retained in the files of the New York Field Division Office.

ENCLOSURES: FOR THE BUREAU

Two enclosures consisting of 57 pages each, of photostatic copies of information concerning WILLIAM RHODES DAVIS obtained from the files of the Shell Oil Company.

PENDING

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ARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

JEP:MFC

TO : MR. NICHOLS

DATE: January 14, 1946

FROM : R. F. CARTWRIGHT

SUBJECT: WILLIAM RHODES DAVIS
BUREAU FILE #65-1168-48

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Tele. Room
Mr. Nease
Miss Beahm
Miss Gandy

This enclosure contains photostatic copies of information obtained from the files of the Shell Oil Company concerning the above named subject.

The last piece of mail in file is dated for October 1945 and states that no further cryptanalysis is contemplated since the case is being closed by the office of origin (serial 532). There are two copies of the enclosure. In view of the above facts it appears that the Bureau would not have need for this material.

RECOMMENDATION:

Inasmuch as this enclosure is occupying valuable space in the Records Section it is requested that the Security Division review this file for an expression as to the disposition of this material.

It is recommended that:

A. All of the enclosure be destroyed here at the Seat of Government.

B. One copy be retained and the extra copy be destroyed here at the Seat of Government.

Encl. destroyed 1-16-46 JEP

[redacted] INFORMATION CONTAINED [redacted] DATE 4-30-95 [redacted]

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54 JAN 16 1946

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JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

September 28, 1939

EAT:HA

MEMORANDUM FOR THE FILE

While talking with the Director on various matters on September 27, 1939 he mentioned that when Special Agent in Charge Gus Jones is next in Washington someone should discuss with him the contents of his personal and confidential letter dated September 20, 1939 relative to telephone surveillance in and out of Mexico. The Director desires that I handle this interview with SAC Jones in the event he is absent from the city. Mr. Jones should be informed that the Bureau considers this information to be vitally important and that consequently an Agent should be placed in contact with Mr. Jones' informant in order that the informant may be developed and to receive information which may be forthcoming from time to time. Mr. Jones should be informed that the Bureau desires another person than himself to be in touch with this informant because of the uniformly bad health which Mr. Jones has suffered and the possibility that it might be necessary to contact this informant at some time when he is not available. It should be pointed out that if his health improves in the future the Director contemplates using him in Mexico City to a considerable extent and that consequently the Bureau would not be able to contact this informant while Mr. Jones was in Mexico City. Arrangements should consequently be made by Mr. Jones so that this informant will be available to the Bureau even in the absence of Mr. Jones from San Antonio.

E. A. Tamm

RECORDED & INDEXED 65-1162-487

SEP 29 1939

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 7/31/98 BY SP4 CIC INA

FBI/DOJ

RECORDED COPY FILED IN

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Federal Bureau of Investigation

United States Department of Justice

Washington, D. C.
September 26, 1939

Director
Federal Bureau of Investigation
Washington, D. C.

[redacted]

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF Declass
DATE 4-1-78 DCM

RE: WILLIAM RHODES DAVIS;
WALTER A. JONES;
[redacted]ERNA FRIEDA WEHRLE.

Dear Sir: Information Concerning

Reference is made to my telephonic communication with MR. CARSON of the Bureau on September 23, 1939 at which time it was requested that this office obtain further information from the Passport Division of the State Department relative to WILLIAM RHODES DAVIS.

Please be advised that on September 23, 1939, Special Agent (A) U. J. GERDES contacted MR. J. C. McKENNA, Foreign Service Officer, Passport Division and MRS. R. B. SHIPLEY, in charge of the Passport Division, State Department, Washington, D. C. Inquiry was made of them relative to WALTER A. JONES, at which time they advised their office did have a file on MR. JONES. MRS. SHIPLEY agreed to furnish this office with photostatic copies of all the papers in their files concerning WILLIAM RHODES DAVIS. She also advised that photostatic copies of the records in the file relating to WALTER A. JONES would be furnished, providing they received a letter from the Bureau requesting photostatic copies of the papers in MR. JONES' file.

In this connection, reference is made to my telephonic communication with MR. E. A. TAMM of the Bureau on September 23, 1939 at which time he advised consideration would be given to having a letter directed to the State Department. On September 25, 1939, MR. A. ROSEN of the Bureau telephonically advised Acting Special Agent in Charge R. E. NEWBY that the Bureau did not consider it advisable to direct a letter to the State Department requesting photostatic copies of their records concerning WALTER A. JONES. MR. ROSEN suggested that the State Department be further contacted and that the records be obtained if ~~possible without a~~ letter.

1 Copy destroyed - 30
5 Copies of encl. destroyed - 30

RECORDED
&
INDEXED

65 1168-49

FEDERAL BUREAU OF INVESTIGATION
OCT 3 1939
U. S. DEPARTMENT OF JUSTICE

DECLASSIFIED BY [redacted] 2090 DPJ/df
ON 4-10-78

ENCL. 0

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Director
William Rhodes Davis - ~~Personal & Confidential~~
9/26/39.

On September 25, 1939, Special Agent GERDES again contacted MRS. R. B. SHIPLEY, of the Passport Division. She furnished photostatic copies of all the papers contained in their file concerning WILLIAM RHODES DAVIS with the exception of a letter dated September 13, 1939 directed by DAVIS to the State Department. As indicated in my letter of September 21, 1939, MRS. SHIPLEY stated a photostatic copy of the letter dated September 13, 1939 has already been furnished to the Bureau. The photostatic copies of the records contained in the file of WILLIAM RHODES DAVIS are transmitted herewith to the Bureau.

MRS. R. B. SHIPLEY declined to furnish photostatic copies of the records contained in their file concerning WALTER A. JONES without a letter from the Bureau containing such a request. She said she understood that at the time their office refused to issue a passport to ERNA FRIEDA WEHRLE in September of this year, in order that she might accompany DAVIS abroad, DAVIS contacted WALTER A. JONES and JONES personally called President ROOSEVELT in an effort to secure a passport for WEHRLE. She stated in view of the apparent political power of JONES she did not feel free to furnish the records without a letter. She stated she would be willing for Agent to make a review of the file.

The file in the office of the Passport Division reflected that WALTER A. JONES filed an application for a passport in 1925. The application was sworn to on June 5, 1925 before G. C. CROPPER, Deputy U. S. District Clerk of Court, Columbus, Ohio. The application which WALTER A. JONES filed also included a request for a passport for his wife EMMA B. JONES. WALTER A. JONES stated in the application that he was born at Kent, Ohio on July 7, 1874 and that his father, deceased at that time, was born at Clyde, New York. The application indicated that

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Director
William Rhodes Davis - ~~Personal & Confidential.~~
9/26/39.

EMMA B. JONES was born at Van Wert, Ohio on April 25, 1873. Her maiden name was EMMA B. BUTLER. She was married to WALTER A. JONES on March 22, 1898. WALTER A. JONES indicated his occupation as manufacturer and his address was 1385 E. Broad Street, Columbus, Ohio.

The application stated that the passports were desired for the purpose of travel and that they intended to visit England, France, Italy, Switzerland, Holland, Belgium, Germany, Austria and Czechoslovakia.

The identification certificate for WALTER A. JONES was signed BENSON W. ~~H~~OUGH (name might possibly be incorrect inasmuch as it was difficult to decipher the signature), Judge, U. S. District Court, Columbus, Ohio, residence 1593 Clifton Avenue, Columbus, Ohio. He stated he had known WALTER A. JONES personally for 30 years. The identification certificate for EMMA B. JONES was signed by HARRY L. ~~C~~ONN. He stated that EMMA B. JONES formerly resided in Van Wert, Ohio and that he had been her next door neighbor for a number of years. He indicated that at the time he furnished the identification certificate he was residing in Columbus, Ohio but his address was not furnished.

Passport #81,322 was issued by the State Department on June 13, 1925 on the basis of the application set forth above.

WALTER A. JONES filed a second application for a passport in October, 1936. The application was sworn to on October 5, 1936 before Deputy U. S. District Clerk of Court WILLIAM ROHNETT, JR., Columbus, Ohio. The State Department issued passport #348,268 on October 13, 1936 on the basis of the application. This application related only to WALTER A. JONES and did not include EMMA B. JONES. JONES furnished his permanent address

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as 1385 E. Broad Street, Columbus, Ohio. He again indicated his occupation as manufacturer. He further stated that the application for a passport is being made for the purpose of travel; that he desired to visit England, France, Germany, Italy, Switzerland, Belgium and Holland. He indicated he intended to sail about November 1, 1936, and that he would return within approximately three months.

MR. J. C. McKENNA, advised that passport #348,268 issued to WALTER A. JONES on October 13, 1936 was good until October 13, 1938. He stated that no request has been received to renew the passport. He advised that WALTER A. JONES could request to have his passport renewed for two years from October 13, 1938 and if granted, the passport would be good until October 13, 1940.

The following description of WALTER A. JONES was obtained from a review of the file:

NAME	WALTER ADELBERT JONES
Age	65 (born 7/7/74)
Height	5'9"
Eyes	Blue-gray
Hair	Dark brown, slightly bald in front, hair combed straight back
Eyeglasses	Photographs filed with application in June, 1925 show he was wearing black tortoise shell glasses. The photograph on the application

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filed in 1936 showed him wearing rimless glasses.

General appearance — Nose long, mouth medium, chin round, face oval.

Very truly yours,

Guy Hottel
GUY HOTTEL
Special Agent in Charge

UJG:JGM
62-3933
Encl.

CC: New York

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BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION
SEP 27 1939
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DIRECTOR AND SAC NEW YORK

CONFIDENTIAL

RETEL WILLIAM RHODES DAVIS, ESPIONAGE. SUBJECT AND DAVIS AND COMPANY INC NOT KNOWN TO EO OFFICIALS OF FIRST NATIONAL BANK, SALEM, OHIO, PERSONALLY OR COMMERCIALLY. ASST CASHIER ORIN A. NARAGON ADVISES HE WROTE LETTER TO FIRST NATIONAL BANK, NYC ON FOUR THIRTEEN THIRTYNINE AT REQUEST BANK CUSTOMER A H RUSSELL, NANOVERTON, OHIO, WHO DESIRED DUN AND BRADSTREET RATING ON DAVIS AND COMPANY INC. RUSSELL REPUTED BE S DESCENDANT OF OLD HANOVERTON FAMILY, SIXTY EIGHT TO SEVENTY YE OF AGE AND RETIRED. IS BELIEVED TO HAVE INTEREST IN OIL WELLS SOME N PENNSYLVANIA AND TO HAVE LIVED FOR PERIOD OF TIME IN WARREN , PE SYLVANIA. MAINTAINS CHECKING ACCOUNT, AVERAGE DEPOSITS AND WITHDRA EW YORK BANK REPLY CONTAINED NEWSPAPER CLIPPING APPARENTLY SOME N ORK NEWSPAPER DATED OCTOBER NINETEEN THIRTYEIGHT, REFLECTING DAVI ND COMPANY INC. UNDER INVESTIGATION BY DEPARTMENT OF JUSTICE. CL URNED OVER TO RUSSELL BY NARAGON. UNLESS ADVISED TO CONTRARY NO NVESTIGATION RE RUSSELL WILL BE CONDUCTED.

GUINANE

END

ACK PLS 30 ON 12/17/02

WASHINGTON OK FBI WASH DC GMC

NEW YORK OK FBI NYC JGW

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65-1168-
Classified by 2809 SP/STP
Declassify on: Undetermined
Date of Declassification 4-12-78.